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Group of 8 Foreign Ministries Prepare for Summit

PY1710024988 Madrid EFE in Spanish 1633 GMT 16 Oct 88

[By Alberto Pepe Leira]

[Text] Punta del Este, 16 Oct (EFE)—Now that the foreign ministers of the Group of Eight countries have managed, "with difficulty," to reach an agreement on the topics for the agenda for the summit in Uruguay, the countries' foreign ministries are studying the declaration to be signed by their presidents on the occasion.

Diplomatic sources have reported to EFE that the following topics will be included in the draft declaration: a wrap-up of the political agreements reached by the group; the security of the democracies in Latin America, based on development; and regional integration.

During the discussion of the aforementioned topics, the presidents will also discuss the foreign debt; transference of resources for interest [as received] that surpass 30 percent of regional exports; and drug trafficking, which, in Uruguayan Foreign Minister Luis Barrios Tassano's opinion, "is one of the world's current tragedies."

Minister Barrios told EFE that he could not give details of the terms of the declaration being studied "because we foreign ministers have had great difficulty in reaching an agreement on what topics will be included in the agenda to be discussed by the presidents."

Barrios Tassano added that the agenda is open and that "the presidents will be the ones to decide whether what we did is all right, or whether they will add to or modify it."

Until the presidents approve the topics and the declaration, during meetings that will begin in Punta del Este, 147 km from Montevideo, on 27 October, "there is nothing definitively established or publishable," Barrios Tessano said.

Part of what will be included in the declaration is being discussed during ministers' meetings. According to sources connected with the preparation of the summit, the declaration "will have more clear objectives and actions" than declarations normally resulting from similar summits.

"One meeting is currently being held in Buenos Aires. During this meeting the interior ministers who normally deal with the topic of drug trafficking will contribute with their experiences. During the summit, the presidents will probably take into consideration these ministers' contributions," Minister Barrios said.

During the second meeting, scheduled to start in Brasilia on 21 October, the finance ministers "will discuss economic issues, and their conclusions will also be taken into consideration by the presidents in their attempt to improve their countries' participation in this complex, difficult, and challenging world," Barrios Tassano said.

During the weekend, the Uruguayan minister checked on sites where the meetings will be held and confirmed to EFE that Panama will not be included in the meetings. He said the Argentine, Brazilian, Colombian, Peruvian, Mexican, Venezuelan, and Uruguayan presidents will participate.

Explaining Panama's absence, Barrios said this country "was not excluded by the other countries. Panama excluded itself. One of the requirements to join the Group of Eight is the full implementation of democracy in the country."

"For purely Panamanian reasons, Panama has temporarily abandoned the democratic path," Barrios Tassano added.

Panama is not the only country that does not respect the principles of democracy. "Similar situations have reigned in Latin America and other parts of the world for many years," the Uruguayan minister said.

"Our duty," Barrios Tassano emphasized, "is to express our solidarity with the Panamanian people, support them, and hope that they can soon join the Group of Eight again. They were with us from the beginning."

C.A. Vice Presidents Issue Joint Declaration

PA1810032588 San Pedro Sula LA PRENSA in Spanish 17 Oct 88 p 2

["Joint Declaration" signed by Guatemalan Vice President Roberto Carpio Nicolle, Honduran Presidential Designate Alfredo Fortin Inestroza, and Salvadoran Economy Minister Ricardo Perdomo at Santa Rosa de Copan, Honduras—date not given]

[Text] The vice presidents of El Salvador and Guatemala, and the presidential designate of Honduras;

Whereas:

On this day, the final report and general plan were submitted for the Trifinio Plan, signed on 12 November 1986 and formulated under the Technical Cooperation Agreements signed by the governments of Guatemala, Honduras, and El Salvador, the OAS General Secretariat and the Inter-American Institute of Agricultural Sciences [IICA] for the drafting of an Integral Development Plan for the region bordering the three countries.

The 19 documents comprising the plan were presented by the technical commissions formed as a result of the Technical Cooperation Agreements and represent valuable material for researching some projects and immediately implementing others.

The technical and financial support given by the OAS, the IICA, and the EEC for the preparation of this plan have proven to be extremely valuable.

The implementation of this plan will be highly valuable in the efforts to attain Central American integration and the achievement of a firm and lasting peace in the Central American region.

The implementation of this plan requires broad political and financial support.

The preparation of this plan is an example of what can be achieved in other binational or trinational border areas in the Central American region.

An overwhelming response has been received from the EEC, International Technical Assistance [Asistencia Tecnica Internacional], and friendly countries for the implementation of this plan.

Honduran Government authorities as well as the mayors and people of Copan Ruinas and Santa Rosa de Copan have responded to the will of the region's people and have offered their fullest cooperation, sympathy, and Central American spirit, thus contributing to the Trifinio Plan's success.

Declare:

1) Their great satisfaction because the plan was prepared within the specified time and the foreseen goals and aims were achieved.

2) Their gratitude to the OAS, the IICA, and the EEC for the support offered to carry out the first phase of the plan and to the technicians who participated in the plan's preparation.

3) Their gratitude to the EEC, the Central American Bank of Economic Integration, the International Union for the Protection of Nature, the UN Fund for the Exploitation of Natural Resources, the UN Development Program, the Inter-American Development Bank, and the governments of Spain, the Netherlands, the FRG, Sweden, and Italy for their positive reply to the requests for support for the Trifinio Plan.

4) Their intention to continue offering all their political support to the plan's implementation phase.

5) Their recommendation that the experience gained through the Trifinio Plan be used in other border areas they share or in other countries in the region to attain their overall development.

6) Their intention to form Trinational Operational Sector Commissions so that these may coordinate and carry out the projects entrusted to each one.

7) Their deep gratitude to the people in Copan and Ocotepeque Departments, the Honduran Government, and, in particular, to Dr Alfredo Fortin Inestroza for the hospitality and warmth with which they welcomed the delegations that participated in the commission's second meeting. The meeting's deliberations and conclusions were a success.

Likewise, issue an appeal to:

The international financial community and friendly countries to continue to offer their support in implementing the plan;

The people included in the Trifinio Plan's region to actively and enthusiastically participate in the implementation of the plan.

Dr Roberto Carpio Nicolle, vice president of the Republic of Guatemala

Dr Alfredo Fortin Inestroza, presidential designate of the Republic of Honduras

Dr Ricardo Perdomo, economy minister, on behalf of the vice president of El Salvador

Carpio on C.A. Parliament

PA1810014488 Tegucigalpa LA TRIBUNA in Spanish 17 Oct 88 p 3

[Text] "I am certain that nobody wants war in Central America, because if a confrontation occurred, the area would turn into another Vietnam," Guatemalan Vice President Roberto Carpio Nicolle said during a news conference last week in Santa Rosa de Copan.

Carpio Nicolle was asked about Honduras' proposal to create a peace force on its borders with El Salvador and Nicaragua. "I understand that there are problems regarding the creation of that force," the Guatemalan vice president said. He added that the FRG had already declined to participate because FRG laws forbid it.

He noted that "the Central American proposals must be discussed in a general dialogue," as has been the case with the Esquipulas peace plan. He added that political decisions must be made based on consensus because otherwise progress is impossible.

Carpio Nicolle asserted that the creation of a Central American parliament presents a way to reach an overall solution by offering a forum where decisions are made through a consensus among all countries.

"Nicaragua must create a new domestic political system so that the conditions can be the same for all countries. This way, the Central American parliament can be

established—as stated in the Esquipulas agreements—to seek peace. However, if this is not done, I cannot foresee anything but war for Central America," Carpio Nicolle warned.

He added that if El Salvador and Nicaragua do not settle their domestic political problems, "there cannot be peace in the area."

The Guatemalan vice president said that the Central American parliament will begin in 1990. He added that 1992 has been set as the year for Central American integration.

There have been diverse efforts to achieve that objective, but "now the integration is in step with the 21st century. Although some problems exist, we will try to overcome them, because we Central Americans must be certain of what we are doing," Carpio Nicolle noted.

In the Central American parliament, "we will sit down to discuss, not to increase problems," Carpio Nicolle said. He concluded by remarking that the parliament is the basis for seeking a joint solution to the area's problems and restoring Central America to its position as a great region.

Cuba

Castro Greets Poland's Rakowski on Election

AU1210125888 Warsaw TRYBUNA LUDU in Polish 5 Oct 88 p 2

[Message from Fidel Castro, first secretary of the PCC Central Committee Politburo and president of the Councils of State and Ministers, to Mieczyslaw Rakowski, premier of the Polish People's Republic (PPR) and chairman of the PPR Council of Ministers]

[Text] Comrade Mieczyslaw Rakowski, chairman of the PPR Council of Ministers.

On the occasion of your election to the post of chairman of the PPR Council of Ministers, it pleases me to be able to convey to you fraternal greetings on behalf of the people, the Communist Party, and the Government of the Republic of Cuba.

We are convinced that in this post you will fully use your knowledge and energy in realizing the goal of continuing with the construction of socialism in Poland.

I would like you to accept, dear Comrade Rakowski, our wishes for success in discharging these important responsibilities, along with expressions of friendship.

Fidel Castro, first secretary of the PCC Central Committee Politburo and president of the Councils of State and Ministers of the Republic of Cuba.

DPRK Confers Friendship Medal on Athletes

FL1710220588 Havana Radio Reloj Network in Spanish 2002 GMT 17 Oct 88

[Text] The DPRK press recalled today the events of 16 October 1953, when the commander in chief of the Cuban revolution, Fidel Castro, acted in his own defense in connection with the Moncada Barracks attack. Pyongyang's daily NODONG SINMUN says that back then, Comrade Fidel Castro led the Cuban revolutionaries and attacked the Moncada Barracks. During the trial, he denounced society in a speech entitled: History Will Absolve Me.

For his part, Korean leader Kim Il-song received today Commander of the Revolution Guillermo Garcia Frias, member of the PCC Central Committee and chairman of the direction commission of the Sierra Maestra Grand National Park, who is visiting the country. Garcia Frias and the delegation accompanying him held a cordial and friendly talk with the Korean leader.

The top leader of the DPRK party and state conferred the Friendship Medal on the 173 Cuban athletes who did not participate in the Olympics. Commander of the Revolution Garcia Frias, Cubans living in the Korean capital, 20 athletes of the Asian brother country, and the sports delegation that participated in the 24th championship of the military triathalon of friendly armies attended the ceremony. The FAR team finished in third place in the military triathalon. It accumulated 10 gold and 24 bronze medals. The DPRK Army team finished in first place with 43 medals and the Soviet Union won second place.

Housing Agreement Signed With Mexico

FL1510024288 Havana Television Service in Spanish 0100 GMT 15 Oct 88

[Text] A bilateral cooperation agreement between Cuba and Mexico was signed today at the headquarters of the National Housing Institute in Havana City.

The document summarizes the work carried out by the two countries in the area of housing. It also includes the guidelines to be followed in the next few years. Architect (Fernando Olver) signed the agreement on behalf of the National Housing Foundation for the Workers of Mexico, and (Lazaro Cain Mendez), vice chairman of the National Housing Institute, signed it for the Cuban side.

The agreement consists of five main subjects, which include the repair and maintenance of existing homes, and the development of project designs for rural and mountainous zones, among others.

These subjects will be discussed at the first Latin American Housing Congress, which will be held from 23 to 28 November at the Palace of Conventions.

Sports Group Official on Pan-American Games

FL1510035188 Havana Television Service in Spanish 0100 GMT 15 Oct 88

[Text] Mr Mario Vazquez Rana, president of the Pan-American Sports Organization, PASO, arrived in our country this afternoon to find out about the projects and investments being made for the continental games of 1991.

Conrado Martinez Corona and Manuel Gonzalez Guerra, officials of the INDER [National Institute for Sports, Physical Education and Recreation] and the Cuban Olympic Committee, welcomed the visitor, who made the following statements for this newscast.

[Begin recording] [Vazquez Rana] Well, I do have a report from the Cuban Olympic Committee and (?from) the organizing committe. However, for me, it is more important to see this personally, since in a few days we will have [words indistinct]. I would like to inform all the Olympic committees of the continent so that we can, together, support the 1991 games. I think that there is currently a great desire for the Pan-American Games here in Cuba to be successful. As PASO president, I am especially interested in their success. That is why I wanted to come personally to try to help and cooperate, in whatever way is necessary, (?with) the assembly's report as well as with the games in the future.

[Reporter] In what way can PASO concretely help with the 1991 games?

[Vasquez Rana] Well, we will not help materially. I said this many times to the organizing committee on the two occasions I was here, when I was able to speak with them. I have said it to Manuel Gonzalez Guerra on many occasions, and I also said it to President Fidel Castro himself. I have said that we—and I include myself, in particular, as president of the organization—are not interested in ostentatious or expensive games. We will try by every means possible to make the games very, very economical. We will also try with all means possible to ensure that the games are very well organized. That is basically our desire. [passage indistinct] cannot help. In other words, economically, we cannot help. However, I think the cooperation and support that everyone can provide for the games to come out well is important enough. [end recording]

Country Wins UNESCO Communications Award

FL1510042288 Havana Radio Reloj Network in Spanish 2046 GMT 14 Oct 88

[Text] For the first time, Latin American countries have won the rural communications award of the international program for the development of communications, said (Claude Ondovo), president of that UNESCO department.

(Ondovo) said the winners were the National Association of Small Farmers of Cuba [ANAP] and the Peoples' Cultural Action of Colombia. The rural communications award is to reward those associations or persons dedicated to the field's development and those who try to introduce innovations that permit greater decentralization of communications processes, especially in underdeveloped countries.

ANAP's winning project was created in cooperation with the Ministry of Agriculture. It is a rural communications system for increasing the technical level of agricultural workers, and of [word indinstinct], zootechnics, animal and plant health [as heard].

Haiti

'Rumors' Circulate About Aborted Coup Attempt

PA1710171888 Hamburg DPA in Spanish 1652 GMT 17 Oct 88

[Excerpt] Port-au-Prince, 17 Oct (DPA)—The Haitian capital was calm today after insistent rumors that a palace coup had been attempted against President General Prosper Avril.

The alleged coup, carried out by a group of sergeants, was reportedly aborted last night, after which its perpetrators went underground.

Some of the military personnel who brought Avril to power apparently now have serious differences with the general.

Sergeant Hebreux, the regime's No 2 man, met on Saturday with popular leader Sylvio Claude to prop up Avril's position. Other similar contacts also reportedly took place.

The sergeants' discontent came to light when Avril refused to dismiss several officers opposed by the soldiers: Colonel Acedius St Louis, Colonel Joseph Baguidy, and Commander Isidor Pongnon, among others, whom Avril considers to be his allies. [passage omitted]

Arrests Reported

PA1710172288 Paris AFP in Spanish 1652 GMT 17 Oct 88

[Text] Port-au-Prince, 17 Oct (AFP)—Several officers and noncommissioned officers were arrested sunday night in Port-au-Prince following the attempted military coup, it has been learned from police forces in the Haitian capital.

Sergeant Bochard, who was recently named chairman of the commission on games of chance, is among those arrested.

In another development, Colonels Marc-Charles and Philippe Biambi [names and ranks as received], who were reportedly the instigators of the coup, were apparently seen in Port-au-Prince Sunday afternoon. The same sources said an investigation has been launched to identify the perpetrators of the foiled coup attempt.

Third Named in Coup Attempt

PA1710185288 Buenos Aires REUTER in Spanish 1826 GMT 17 Oct 88

[Excerpts] Port-au-Prince, 17 Oct (REUTER)—Military sources announced today that three officers, two of them members of the Presidential Guard, failed in an attempt on 15 October to oust the military government installed in Haiti a month ago.

An officer formerly attached to the Presidential Palace told REUTER: "There was certainly a coup attempt, but information is still scarce and vague."

Heavy exchanges of gunfire were heard in the capital on the night of 15 October, but there has been no official reaction on the radio. Today is a holiday in Haiti, so newspapers have not been published. [passage omitted]

Officers linked to the government and other military sources told REUTER the coup on 15 October failed when the three officers attempted to take over the Presidential Palace's arms depot.

The sources indicated the officers involved were Lieutenant Colonel Henri Robert Marc-Charles, Major Phillipe Biambi, and Lieutenant Colonel Henri Robert Augustin [names and ranks as received]. The first two are members of the Presidential Guard, and the third was recently transferred from that unit.

The military sources said they do not know what has happened to the conspirators. Some reports indicate they have been arrested, while others say they have taken asylum in embassies.

Meanwhile, more calls have been made for demonstrations in support of Jean Bertrand Aristide, a pro-Third World priest who is to leave Haiti today because of a decision made in Rome by the Salesian order to which the priest belongs. [passage omitted]

Colonel Reportedly Killed

PA1710202188 Madrid EFE in Spanish 1940 GMT 17 Oct 88

[Excerpts] Port-au-Prince, 17 Oct (EFE)—The independent radio station Radio Metropole reported today that three officers, two of them members of the Presidential Guard, failed on 15 October to stage a coup against Prosper Avril, the new Haitian president who has been in power for the past month.

There has been no official confirmation of the attempt, about which only sparse and contradictory details are known, but security around the Presidential Palace had been reinforced today. [passage omitted]

Colonel Marc-Charles, who was recently forced to retire as part of a reorganization of the Army, may have been killed during the coup attempt, although other reports indicate he and his companions may be under arrest or may have sought asylum in foreign embassies.

According to unconfirmed reports, Colonel Jean-Claude Paul, who was dismissed 2 weeks ago from his position of chief of the powerful Dessalines Battalion, and who has been accused of drug trafficking by U.S. courts, may also have sought asylum in an embassy. [passage omitted]

Government Confirms Coup Attempt

PA1710220688 Madrid EFE in Spanish 2131 GMT 17 Oct 88

[Text] Port-au-Prince, 17 Oct (EFE)—The Haitian Government confirmed today that over the weekend two soldiers attempted to stage a coup d'etat against General Prosper Avril, but were unsuccessful.

Government spokesman Frantz Luibin said that those involved were Sergeant Patrick Bochard and Colonel Samuel Jeremie, retired. Other sources pointed out that both military men had tried to seize the National Palace arsenal Saturday night, but were arrested.

Luibin said there were no victims as a result of the incident, but several presidential guardsmen had been expelled from the Army for their involvement in the coup attempt. Even though groups of soldiers were patrolling the city today, everything appeared to be normal and stores were open as usual.

Jeremie had been arrested in February 1986, charged with assassination, but had escaped during the 17 September coup, the spokesman said.

Criminal Investigations Department Renamed

FL1510182288 Port-au-Prince Radio Nationale in Creole 1300 GMT 14 Oct 88

[Text] Port-au-Prince Police General Headquarters has issued a communique informing the general public that as part of the reorganization of the Port-au-Prince Police that is underway, the name of the 40th Company, Criminal Investigations Department, has been changed. It is henceforth to be called Investigations and Anti-Gang Department [Sevis Envestigasyon ak Anti-Gang].

It will be the duty of this department to investigate and note violations of the law, collect evidence, seek out criminals so they can be sent to court, and, finally, investigate suspicious deaths.

Also, department heads have been instructed to inform the public in the press and over radio and television as to how things are going, and about any legal action undertaken.

The communique is signed by Lieutenant Colonel Georges Valcin, Haitian Armed Forces, chief of police.

Thus, we reiterate: The Criminal Investigations Department no longer exists. It is now called Investigations and Anti-Gang Department.

This police communique is dated 13 October 1988.

Montserrat

Opposition NDP Opposes Independence Plans

FL1310170488 Bridgetown CANA in English 2109 GMT 8 Oct 88

[Text] Plymouth, Montserrat, Oct 8, CANA—The opposition National Development Party (NDP) on Saturday said it was opposed to any plans to take the British colony, Montserrat into political independence. NDP leader Bertrand Osborne, in a statement, said that his party's position had not changed from last year, when it campaigned against independence.

In a radio and television broadcast Thursday night Chief Minister John Osborne said that he would like to see the island prepare itself for independence, complaining that at the moment Montserratians are without nationality.

But the leader of the opposition said: "We don't see the need to rush into independence, we don't see the need to go into independence at this stage. We think a lot more can be done in our present stage. We think we can have and get as much aid as we need at the moment."

In his broadcast, Chief Minister Osborne said that Montserratians could claim neither British nor Montserratian status because Britian immigration authorities were not accepting Montserratians as British subjects and his colony was not a nation.

But the opposition party chief retorted: "I don't understand what he means by that. We are Montserratians, we have a passport, it is true we may not be British... but we are Montserratians, we have a country..."

Meanwhile, the Montserrat Chamber of Commerce has issued a statement saying that while it would like to see the island proceed to independence, there is no real urgency about breaking political ties with Britain. The statement signed by president of the business organisation Frank Edwards, said that Montserratians "must realise that after the flag raising... and the shouting die down independence is not judged by how much we can beg."

"Independence requires discipline, commitment, and hard work by Montserratians to build the new nation," said the chamber, adding it agreed that education about independence was needed before any step towards nationhood. "We should be educating and preparing our people so that when independence comes we may have mature, responsible and competent public servants and politicians capable of administering the new independent country," the chamber said.

St Vincent and the Grenadines

Opposition Criticizes Senator for Joining NDP

FL1310172088 Bridgetown CANA in English
2152 GMT 9 Oct 88

[Text] Kingston, St Vincent, Oct 9, CANA—Former St. Vincent Labour Party senator, Burns Bonadie, has been criticised by opposition parties for joining the ruling New Democratic Party (NDP) of Prime Minister James Mitchell. All three oposition parties criticised Bonadie for his support of the government's management of the economy, saying it was contrary to his stance during last year's by-election when he was highly critical of government's record.

Bonadie resigned from the Labour Party last October over differences with its approach to political union of the Organisation of Eastern Caribbean States (OECS). Last Wednesday he announced he had become a member of the NDP.

Leader of the St. Vincent and Grenadines parliamentary opposition Labour Party, Vincent Beache, likened Bonadie to a hurricane that had passed and "the force spent." He added that his switch would not affect the Labour Party in general elections, likely to be held next year.

Both of the other opposition parties, the Movement for National Unity (MNU) and the United People's Movement (UPM) called Bonadie a "political catch" for the NDP. The MNU cited his assets as being his skills as trade unionist, organiser, and negotiator.

Bonadie, a leading Caribbean trade unionist, was also junior minister in the previous St. Vincent Labour Party (SVLP) administration. He unsuccessfully contested the East Kingston seat for the SVLP in the 1984 general election, and in last year's by-election.

Trinidad and Tobago

House Speaker Mohammed Stays With NAR

FL1510191688 Bridgetown CANA in English
1700 GMT 11 Oct 88

[Text] Port-of-Spain, Trinidad, Oct 11, CANA—Speaker of Trinidad and Tobago's House of Representatives, Nizam Mohammed, on Monday night ignored a party directive to cancel the annual meeting of his constituents. But Mohammed told his supporters they should stay loyal to the troubled National Alliance for Reconstruction (NAR).

Mohammed had been expected to join up with other members of the former United Labour Front (ULF) colleagues kicked out of the Cabinet and the ruling party and about to form their own political party. The ULF is one of four political parties which teamed up to form the NAR. Its leader, Basdeo Panday, and other leaders were dismissed from the government and expelled from the NAR for openly criticising Prime Minister A.N.R. Robinson. At Monday's meeting, Mohammed's South-/Central Tabaquite constituency held elections and then voted to remain with the troubled ruling party. An NAR statement had been issued by party public relations officer, Lennox Raphael, quoting NAR general secretary, Dr. Bhoe Tewarie as saying that the Tabaquite meeting was cancelled to avoid "confrontation and confusion."

The attempt to cancel the meeting came after Mohammed stated his intention to say whether his constituency planned to follow dissidents expelled from the party or stay with the NAR. Mohammed accused Tewarie of acting in "a high-handed and autocratic manner" and of creating "confusion and mischief in the party, in the country, in the government."

Tewarie [as received] said: "The last thing that I would like to happen is for us to deal with a divided constituency. Therefore, my proposal to our constituency tonight and I ask you to agree with my proposal is that time is on our side in the constituency of Tabaquite. No matter how

much Bhoe Tewarie tries to push us out of the NAR and tries to defame us, no matter how much he tries to create confusion in this constituency, we as a constituency must be determined to say NAR," Mohammed said.

Opposition Party Holds Annual Convention
FL1310192388 Bridgetown CANA in English 2125 GMT 9 Oct 88

[By Debra Ransome]

[Text] Port-of-Spain, Trinidad, Oct 9, CANA—Trinidad and Tobago's opposition People's National Movement (PNM) held its annual convention Sunday, lashing out at the government's handling of the country's economic and social problems, and calling for fresh general elections.

In a speech which portrayed the ruling National Alliance for Reconstruction (NAR) as fiddling while the economy burned and damaging the social fabric of the ethnically-mixed society, opposition leader Patrick Manning said the NAR now had no moral authority to rule.

"The ruling clique of today is utterly incapable of providing leadership. It has lost all moral authority to govern. Indeed, it is fundamentally quite different from the coalition which solicited and received a resounding mandate in 1986," Manning said. "It is a fraud, nothing less."

"As political leader of the PNM, a party that provided this country with stability for 30 years, I state categorically that the first step towards resolving the political, economic and social crises in Trinidad and Tobago today is the dissolution of Parliament and the holding of fresh general elections," Manning told a cheering audience of over 1,000 supporters.

Manning also presented the PNM's economic plans, to be implemented should the party win power at the next elections.

The opposition leader dealt briefly with a breakaway NAR group, which is expected to form a separate political party after a public meeting next Sunday. The group of expelled ministers, who include former NAR deputy leader Basdeo Panday, claims to control more supporters in the House of Representatives than the NAR.

"What we the people now know and clearly understand is that only a well-structured highly-disciplined and well-managed unitary party can produce a stable social and economic climate," Manning said. "No coalition of unrelated ideological camps nor hastily put together band of disaffected dissidents can produce stability. Only a stable party like the PNM can produce a stable society," he added.

Manning's own plan for government were outlined for the first time during his two-hour speech to a new-look PNM, which has been re-organising itself since its thrashing at the polls by the NAR almost two years ago.

The PNM's recovery plans include some measures, also on the agenda of the ruling NAR, such as tax reform, introduction of general indirect taxation, more agricultural development, and research in the key oil and natural gas sector. Other parts of Manning's plans include divestment of parts of the large state sector the party had built up during its time in power, elimination of corporation tax for small businesses, and the complete review of the aliens landholding act, freeing-up the economy foreign investment.

Manning's list of priorities began with a promise to explain to Trinidad and Tobago how the country, as he said, was now before the International Monetary Fund, the seeking of IMF help in re-scheduling the country's bunched foreign debt repayments, establishment of a foreign exchange priority allocation list, followed by moves to stop further contraction of the economy. Manning called for reinforcement of the party's image as "stable and undivided," for financial support from members, and for continuous sale by party members of the PNM package. "PNM, if Trinidad and Tobago ever needed you, its now," Manning remarked.

Government To Protect Oil Market, Revenues

PA1710190688 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 17 Oct 88

[Report by Claudio Guzman]

[Text] The Mexican Government's Committee for Oil Exports will remain alert and be ready to take action based on developments in the world oil market.

Mexico must remain alert because the complexity of the situation demands extreme caution. Mexico will also strive to protect its markets and oil revenues. An analysis of the evolution of Mexican oil exports shows that Mexico has fully met its October foreign oil sales plan; the plans for November are adequate. During the first half of October, the average price for Mexican crude was about $9.60 per barrel. By the end of the week, the price reached $10.75, which is $1.60 above the lowest price recorded thus far in October. In view of the international recovery of crude oil prices and the series of OPEC meetings scheduled for next week, the Mexican Comittee for Oil Exports will remain alert. Production levels in other countries, price discounts, and negotiations between Iran and Iraq will be taken into account. Mexico is closely watching all factors to protect its markets and its oil revenues.

Finance Officials View Oil Price Effects

PA1410145388 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 13 Oct 88

[Text] Mexican Finance Under Secretary Francisco Suarez Davila has reported that the IMF's financial contingency plan to help Mexico compensate for the fall in international oil prices ended in March. Nevertheless, he added that unlike 1986, the Mexican economy today is better prepared to face the international situation. The finance under secretary said even with the decrease in petroleum revenues, Mexico will have a $4 billion trade surplus. He said there are four ways to compensate for the decrease in petroleum revenues: 1. Use international reserves; 2. Increase the collection of fiscal revenues through an efficient administrative effort; 3. Study new budget cuts without affecting social programs; and 4. Negotiate the foreign debt.

Suarez Davila stated this in an address to a joint meeting of the Finance and Public Credit and Planning and Budget Committees of the Chamber of Deputies to explain details about the policy dealing with 1987's public finances. In his statement, the official said that although the foreign debt burden is being reduced, a negotiated moratorium is always much more effective than a unilateral moratorium.

[Begin Suarez recording, in progress] ...in the sense that we must begin a new phase of negotiation in which the debt and annual interest payments will be reduced. This is an essential condition to grow. At the same time, we must obtain long-term resources to achieve the recovery and sustained structural transformation of the economy. [end recording]

The under secretary said international commitments are needed to compensate debtor countries like Mexico for external factors that adversely affect our resources, as is the case with petroleum prices, interest rates, and trade protectionism. He reported that in the past 5 years, Mexico has paid $48 billion in interest.

Meanwhile, Commerce Secretary Hector Hernandez Cervantes is also optimistic about Mexico's future despite the drop in international petroleum prices. He said the improvement of public finances and the last budget cut, estimated at approximately $500 billion [as heard], will be enough to face the decline in petroleum prices.

[Begin recording] [Hernandez] I must point out that any drop in export revenues has repercussions not only on the amount of foreign exchange but, in the case of petroleum, on public revenues. This decrease in public revenues because of the price drop has to be compensated by budget measures, as the planning and budget secretary has already announced.

[Reporter] Will these measures be enough?

[Hernandez] Well, to date, there has been a satisfatory improvement in public finances. This is just one more difficulty we have to overcome and I think we have the means to do so. Of course, we hope the next OPEC meeting will bring about greater stability in the market so petroleum prices will reflect costs. [end recording]

Pemex Production Volume Surpasses Estimates

PA1710201088 Mexico City EL NACIONAL in Spanish 12 Oct 88 p 4

[Text] Pemex produced at total of 10.196 million barrels in the first 8 months of 1988. This volume surpasses the estimated goal by 3.7 percent and the 1987 figures for the same period by 14.6 percent.

The parastate enterprise disclosed this yesterday and added that its operating centers managed to increase the heavy crude oil used by Pemex's refineries by 32.9 percent. This has not only helped satisfy domestic oil needs, but it has also allowed more light crude to be exported.

Pemex reported that as of August 1988, the industrial transformation sector processed nearly 1.445 million barrels of oil a day. This is a 1-percent increase over the same period in 1987.

Thus, the total daily oil production is comprised of 462,500 barrels of gasoline, 426,000 barrels of fuel oil, 212,000 barrels of diesel, and 209,600 barrels of liquified gas, among other products.

The increase in the production of home cooking gas is especially noticeable. This follows the start-up of the second cryogenic Nuevo Pemex petrochemical center at Tabasco.

Thanks to Pemex's new installations, total petrochemical production during the past 8 months increased to 10.196 million tons because of the noteworthy recovery of ammonium—a raw material used to manufacture liquid and solid fertilizers. This is a 30-percent increase with respect to 1987.

There was also an increase of between 9 and 36 percent in the production of carbonanhydride, cumene, styrene, ethane, ethyl, orthoxylene, low density polyethelene, xylenes, and tetramere—raw materials for countless finished products.

Economic Solidarity Pact Extended to 31 Dec

PA1710131988 Mexico City Red Nacional 13 Imevision Television 0200 GMT 17 Oct 88

["Text" of document extending Economic Solidarity Pact, signed by President-elect Carlos Salinas de Gortari, as "witness of honor" at his offices on Cracovia Street, Mexico City, on 16 October]

[Text] After carefully reviewing the country's economic situation and the behavior of the principal macroeconomic variables, the labor, peasant, and business organizations that signed the Economic Solidarity Pact have decided on the following:

1. The recent evolution of prices has been satisfactory, because last September it allowed us to record the lowest monthly inflation rate in the past 12 years.

2. Recent world oil market trends force us to take prudent steps and enforce great discipline in all sectors of the national economy.

3. The agreements signed by the Federal Government concerning public finances have greatly contributed to the consolidation of the anti-inflation programs established in the Economic Solidarity Pact. Such measures are basically as follows:

a. A new adjustment of public finances, which will result in additional savings of more than 500 billion pesos for the remainder of 1988.

b. The consolidation of efforts to sell off nonstrategic or nonessential enterprises.

c. The conservation of monetary and credit conditions that are needed for price stability.

4. The various economic sectors need to receive the information needed to plan their activities in a framework of economic certainty, especially in view of the upcoming constitutional change in the federal executive branch.

5. In view of all of the above, the labor, peasant, and business sectors have decided to request the president-elect of the United States of Mexico to extend until 31 December 1988 the agreements reached in the pact for the months of September, October, and November, signed on 14 August 1988.

6. The president-elect of the United States of Mexico has listened to the requests of the productive sectors and has considered them to be appropriate for the national economic reality; therefore, he is pleased to accept the request made to him.

Therefore the labor, peasant, and business sectors and the president-elect of the United States of Mexico agree to extend until 31 December 1988 the agreements reached in the pact for the months of September, October, and November, signed on 14 August 1988.

[Dated] Mexico City, 16 October 1988

[Signed] Carlos Salinas de Gortari, president-elect of the United States of Mexico;

For the labor sector: Jorge Sanchez Garcia, president of the Labor Congress; Fidel Velasquez Sanchez, secretary general of the Confederation of Mexican Workers; Ignacio Cuauhtemoc Paleta, secretary general of the Regional Mexican Labor Confederation; Roberto Castellanos Tovar, Revolutionary Confederation of Workers and Peasants; Francisco Hernandez Juarez, secretary general of the Mexican Telephone Operators Labor Union;

For the peasant sector: Professor Hector Olivares Ventura, secretary general of the National Peasant Confederation; Javier Ahumada Padilla, president of the National Confederation of Minor Agriculture, Livestock, and Forestry Proprietors; Francisco Merino Rabago, secretary coordinator of Unions of the National Executive Committee of the National Peasant Confederation;

For the business sector: Agustin F Legorreta, president of the Coordinating Business Council; Eduardo Garcia Suarez, president of the National Chambers of Commerce; Vicente H Ortoni Gonzalez de Cocio, president of the Confederation of Industrial Chambers; Jorge Osejo Moreno, president of the Mexican Employers Confederation; Jose Maria Alverdegoya, president of the National Chamber of Commerce of Mexico City; Jorge Tawachi Gastine, president of the National Association of the Processing Industry; Jose M Caso, president of the National Agriculture Council;

Actuary: Clemente Cabello Pichetti, president of the Mexican Association of Insurance Institutes;

Public accountant: Alfredo Hart Elu, president of the Mexican Association of Stock Exchanges

Salinas on Pact Extension

PA1710163088 Mexico City Red Nacional 13 Imevision Television in Spanish 0220 GMT 17 Oct 88

[Speech by President-elect Carlos Salinas de Gortari at the signing ceremony for the extension of the Economic Solidarity Pact in Salinas' Mexico City offices on 16 October—recorded]

[Text] Messrs labor, peasant, and business leaders: I have signed this agreement to extend the Economic Solidarity Pact until 31 December 1988 because this has been demanded by Mexican society. This has been requested by workers, peasants, and businessmen. It is demanded by consumers, especially housewives. It is recommended by the results that have been obtained and by our economic situation.

If inflation today is at its lowest level in several 5-year periods, it is due to the precision with which we have acted; the solidarity of workers, peasants, businessmen, and groups; and the firm political leadership of President Miguel de la Madrid's administration.

Today, in the face of new instability in our petroleum revenues, coordination, solidarity, and agreement are again necessary to take measures that will enable us to confront this situation. According to the president of the republic, efforts are being made to obtain new resources abroad to mitigate the decline in our revenues and to prepare for uncertain future oil prices. This will permit us in the future to consolidate the progress that has been achieved with the pact, to have the necessary space to avoid deficit-producing policies, and to obtain foreign financing that will permit us to continue our efforts to adjust the debt service to the goal of gradually recovering growth.

The extension of the Economic Solidarity Pact and its results will make possible the establishment of firm agreements for 1989. We will establish them within the framework of the principles and goals of the general economic policies and in accordance with the revenue law, the 1989 expenditure budget, and the establishment of the new minimum wages. All of this will be in line with the commitments I made during my campaign and in the speech on the economic challenge that I delivered in Monterrey.

I am convinced that the best political experience we have gained with the pact is the attitude of dialogue and the willingness to undertake concerted efforts in the search for common objectives. That is the fundamental thing we must maintain and strengthen in order to enter into a phase of frank joint responsibility among all of society. Today, the government cannot solve each and every problem the country faces by itself. To a great extent, it requires the responsible and mature participation of the various segments of society. Let each one assume its share and act with responsibility to solve our problems. The administration that I will head beginning on 1 December will use this experience and contribute its political will and a desire for dialogue so that together we can consolidate and expand to other spheres this extraordinary effort of solidarity among all of society and the government. To the extent that, as has occurred with the pact, each one assumes as his own the national problems and fulfills the tasks to overcome them, Mexico will be able to set constantly higher goals. Only in this way will we be able to achieve the objectives of consolidating the reduction of inflation and achieving financial stability; intensifying the structural changes needed for the better functioning of the national productive and distributive system; resuming in a sustained and gradual manner the growth of economic activity, employment, productivity, and, on this basis, real wages; and fundamentally meeting the most pressing demands of society.

To achieve this, we are going to strictly control public finances. We are going to negotiate a reduction in the net transfer of funds from the country. We are going to implement a public revenue policy consistent with the strengthening of public finances, giving adequate incentives for production, thus ensuring fair treatment for all.

We are going to make further structural changes in public spending, keeping it under strict control while turning our attention to strategic and priority matters. We are going to pay special attention to social spending, to undo the effects of the crisis on the social groups least able to cope, and to adjust that spending to our ability to develop.

We are going to strengthen the autonomous decision-making powers and accountability of public corporations that are of strategic and priority importance.

We are going to reassert the irreversibility of our policy of opening up to the world, eliminating obstacles to production activities in the social and private sectors, and applying a finance policy that fosters savings, the retention of those savings in our country, and more efficient mediation, to provide support for the sectors responsible for promoting our development policy.

Ladies and gentlemen: Only an attitude of genuine mutual responsibility will enable us to modernize Mexico. That is needed to make our economy reflect the world's major changes, to reduce our vulnerability, and to guarantee a more effective participation in the international economy, as well as greater internal strength and, thus, greater well-being for the Mexican people.

It is imperative that we grow once again. During the 1990's, we must grow at an average annual rate that is at least twice that of the population growth rate. We must do this to be able to create the jobs that the new generation demands each year. We must do this to have the required foundation for the distribution of welfare and income. To do this, we will rely on Mexico's sizable development potential, on the population's drive, on new dynamic

forces in the country's various regions, on the resurgence of new opportunities, and on the manifestation of new initiatives. We will rely, above all, on the extraordinary strength we will obtain from the mutual responsibility of all segments and groups of society. As I have pointed out before, stagnation is not, nor can it be, the natural state of the Mexican economy. We reject the fatalistic view that denigrates our economic life. We have the ability, the will, and the strength to solve our current problems, and to open new avenues of prosperity for all Mexicans. Let us then keep up this effort.

I wish to congratulate you for the responsibility and firmness with which you have acted: Messrs Fidel Velazquez, Jorge Sanchez, Hector Hugo Olivares, and Agustin F. Legorreta, representatives of the social and private sectors. Please accept my recognition, because you have once again shown your qualities as leaders, and as Mexicans.

Through you, I wish to thank the Mexican workers, peasants, businessmen, workers in the public and private sectors, housewives, and the masses, for the enormous effort you have all made, and the extraordinary measure of understanding with which you have supported the Economic Solidarity Pact. This has been, and still is, a collective task that would never have been accomplished had it not been for the solidarity of the Mexican people.

Let us consolidate this policy of dialogue and understanding through increased mutual responsibility. Let us turn this exercise in solidarity into a solid foundation for our nation's and our countrymen's well-being. Thank you very much. [applause]

PRI Leader Meets Spanish, Yugoslav Officials

PA1210193588 Mexico City EL DIA in Spanish 4 Oct 88 p 6

[Excerpts] Madrid, 3 Oct—PRI General Secretary Manuel Camacho Solis met today with Spanish President Felipe Gonzalez at a special audience.

According to a source close to Moncloa Palace [the Spanish presidential palace], Camacho and Gonzalez talked about the new situation that is developing in Mexico with Carlos Salinas de Gortari's rise to the Presidency.

The interview lasted close to an hour and, according to the source, there was "a very broad exchange of views on the internal situation of both countries."

In addition, the Spanish head of state told the PRI leader that he would not attend Salinas de Gortari's presidential inaguration on 1 December since he must attend a meeting of the EEC's heads of state and heads of government in Rhodes, Greece on the same day. [passage omitted]

At a press conference attended by Mexican correspondents in Spain, Camacho Solis said "the PRI is not going to request membership in, nor will it be an observer at, the Socialist International [SI]. The PRI will decide when to attend its meetings, and when not. We have come to Europe because we are interested in being informed, in thinking, and in having contact with other ideologies, while still maintaining our political independence."

"We have an affinity with social democracy," he explained, "one of the Mexican revolution's principles is social justice, and that is why we see eye-to-eye with social democracy."

Camacho Solis remembered that he told SI President Willy Brandt that "being a nationalist party, the PRI has a policy of equality. We want to have the best relations with the world's various political systems while having the least possible commitment, or having no commitment at all."

Manuel Camacho Solis explained that his party maintains dialogue, contact, and an affinity with social democracy. "Our relations are good—in fact excellent. The degree of closeness could not be better; there is great respect for our autonomy."

In answer to a direct question, the PRI leader said the relationship is a pragmatic one, consistent with the party's origins and with its obligations within the framework of the Constitution. He explained that the Constitution lays down very clear rules about political parties foreign relations.

The PRI leader hopes to hold talks in this city with Spanish Economy Minister Carlos Solchaga, and with the top leaders of the powerful, socialist federation of trade unions, the General Workers Union (UGT). [passage omitted]

On a different matter, the Belgrade daily POLITIKA published an interview with Camacho Solis in which he states that "it is important that the party carry out a radical reform, and that the problem of bureaucratic inertia be solved." [passage omitted]

During his visit to Yugoslavia, Camacho Solis met with Stipe Suvar, the League of Communists Central Committee Presidium president, and SFRY President Raif Dizdarevic, who have governed Yugoslavia since the death of Marshal Tito in 1980.

Weighs Election Setback

PM1210102088 Madrid DIARIO 16 in Spanish 8 Oct 88 p 18

[Interview with PRI Secretary General Manuel Camacho Solis by Manuel Martorell in Madrid—date not given]

[Excerpt] Madrid—[Passage omitted] [Martorell] What are the repercussions of the PRI's loss of political hegemony?

[Camacho Solis] It is something that has come to an end in Mexico's political life. The change necessitates a change of parliamentary procedure, which will in turn have an impact on legislative relations with the executive. We face imminent new political practices.

[Martorell] Can the PRI now define the features of this new political life?

[Camacho Solis] The most immediate aspect is the impact that the Congress of Deputies' new configuration will have on political life and on the party system. Another major change, resulting from a very thorough analysis, concerns electoral legislation. As President-elect Carlos Salinas de Gortari said, there could be some additional reforms to update the legal framework for elections.

Another area of possible reforms and accords is decentralization, contact with the community in elections and local assemblies.

Basically we are witnessing an evolution toward a new party system. A key decision concerns what is to happen to the majority party, the PRI.

[Martorell] Does the PRI have any specific proposals for institutional changes?

[Camacho Solis] We have been working both on possible internal party reform—which must be the result of a very thorough internal dialogue—and on the role that the party should play with respect to others. In other words, the nature of the party system. We are examining and discussing this. It must be the result of internal processes and, when the time comes, of an in-depth dialogue within the opposition.

[Martorell] Does the PRI plan to reach a consensus on political changes?

[Camacho Solis] Of course.

[Martorell] If the economic crisis influenced the PRI's loss of votes, did its lost votes go to the left or the right?

[Camacho Solis] The right maintained its basic clientele and has a stable base. A large proportion of the divergent vote went not so much to the left itself as to the National Democratic Front. The left-wing candidates did not improve their number of votes.

[Martorell] Could the fact that the opposition considers the result of the latest elections invalid create problems in the country's new political life?

[Camacho Solis] Certain chapters have been closed in our political life. The opposition is now represented in parliament. Thus it is already asserting the legitimacy of the election results. For everyone the important thing is what comes next. The opposition is considering how to forge a party, how to consolidate the results. We, too, are considering how to benefit from our experience and how, proceeding from this situation, to strengthen the reforms that Mexico needs and that are essential to the country's life.

[Martorell] Will Mexico ultimately resemble, in its political structures, a European country or other similar situations in Latin America?

[Camacho Solis] Our aim in consolidating this process is not only to resolve the present predicament; we are moving toward greater pluralism. The final outcome will undoubtedly be a more competitive political life but it will have many features characteristic of Mexico's history and identity.

Inflation Rate 0.6 Percent in September

PA1410023488 Mexico City THE NEWS in English 10 Oct 88 pp 1, 39

[Report by Vivian Perry]

[Excerpt] The monthly inflation rate for consumer goods dropped to 0.6 percent in September—its lowest level in twelve years—and Bank of Mexico officials presented the figure as evidence that the Economic Solidarity Pact (PSE) is working.

September's producer price index registered a decrease of 1 percent compared to August, an event the central bank said was unprecedented in the eight years that wholesale prices have been monitored. [passage omitted]

Costa Rica

Foreign Minister Discusses UN Session

PA1410130688 San Jose LA REPUBLICA in Spanish 5 Oct 88 p 6

[Report by Arnoldo Rodriguez]

[Text] New York—Costa Rican Foreign Minister Rodrigo Madrigal Nieto is satisfied about having clearly stated Nicaragua's problem and establishing Costa Rica's position to the world. He is completing his role in the 43d UN General Assembly session.

The Costa Rican foreign minister said he retracts nothing he said in his speech about the advance of repression in Nicaragua, explaining that it is appropriate for Costa Rica to speak clearly so it will not be reproached later for not having reported the establishment of an undemocratic government there.

On Costa Rica's proposals at the United Nations on foreign debt and human rights, Madrigal Nieto explained that those initiatives will require more discussion than they have received recently in the United Nations.

Visibly drained by the many meetings held during his stay in New York, the foreign minister insisted that the Esquipulas peace process must not be allowed to die, especially since Costa Rica promoted it.

Francisco Huertas, who heads the Ecuadoran delegation to this UN General Assembly session and who presided over the debate in which Madrigal Nieto delivered his speech, says Ecuador and Costa Rica agree on aspects of the foreign debt, human rights, and the "dangerous and red-hot" subject of peace in the region. He said there is a vicious circle in Nicaragua's position because the interference of third parties prevents a democratic opening in Nicaragua. Therefore, one must "take the healthy way out" and request greater participation from Central Americans in solving the region's problems, he said.

The Ecuadoran delegate supported Costa Rica's peace efforts, not just because of the violence in the region, but also because of the problems caused by 250,000 refugees, which are a heavy load for Costa Rica to bear.

In his remarks to LA REPUBLICA, Madrigal Nieto said Nicaraguans are violating the Esquipulas agreement in subtle, almost imperceptible, ways. He said this is why one must speak clearly at the United Nations.

El Salvador

Duarte Returns to Country; Responds to Treatment

PA1710202588 San Salvador TCS Television in Spanish 1215 GMT 17 Oct 88

[Text] Salvadoran President Jose Napoleon Duarte has responded favorably to chemotherapy treatment and his condition is stable. This was stated by Dr Jose Luis Saca Melendez, who is in charge of the president's treatment.

President Jose Napoleon Duarte arrived in our country yesterday afternoon from Walter Reed Medical Center in Washington after receiving treatment for cancer. Dr Jose Luis Saca Melendez, who is President Duarte's chief physician, said the president's condition is improving.

[Begin Saca recording] The results we have obtained thus far are very good. In other words, the cancer has not progressed at all; it is virtually the same as it was in May. In fact, there has been a reduction in the size of some cancer cells, while others remain the same. The president's general condition is good; there are good signs, above all that he is gaining weight. He has gained approximately 18 pounds since his last chemotherapy treatment. [end recording]

On the president's psychological and physiological condition regarding the performance of his duties, Dr Saca said:

[Begin recording] I can tell you that he is able to perform any duty, any job, any activity. At the moment there are no limitations. [end recording]

Dr Saca concluded by saying that only 10 percent of chemotherapy patients respond to treatment, and President Duarte is in that 10 percent.

FMLN Leader Sainz Advocates Negotiations

AU1710151188 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 15 Oct 88 p 2

[Report on interview with FMLN Leader Miguel Sainz by Anton-Andreas Guha: "To Force Negotiations"; place and date not given]

[Text] FMLN guerrilla units are fighting at maximum strength throughout the state, says FMLN leader Miguel Sainz. Not only is the FMLN pursuing new tactics by attacking government barracks and military facilities, but it is also forcing a strategy of attrition on the opposition by small- and medium-scale operations. Moreover, the fight is being taken to the towns. Military victory is "absolutely a possibility," the guerrilla leader underlined, although the main objective is to create favorable prerequisites for political negotiations by altering the military balance.

The government's military plans have been frustrated, Sainz continues; it cannot defeat the FMLN, which has "several thousand armed fighters." The FMLN still has about one-third of the state's territory under its control and maintains a military presence in the other parts of the country.

These facts alone are enough to frustrate any expectations regarding the presidential elections, unless the governing Christian Democrats and right extremists see this good opportunity and prepare to negotiate with the FMLN.

Sainz says "the United States would have to change its attitude" in order to make negotiations possible. Nothing happens in El Salvador without the U.S. Government. So far, the United States has blocked any solution by supporting the conservatives and rightists in El Salvador and all over Central America in their erroneous hope for a military solution. Because of this, these countries have only bled to death.

The FMLN politician conceded that the political and social consequences of this in his country are almost irreconcilable. Naturally, almost no interests are shared, on the one hand, by the conservatives and rightists, the rich landed proprietors, and the small upper class in the towns who rule the country; and, on the other, by the mass of poor people, unemployed, and small farmers. Nevertheless, an attempt must be made to achieve maximum participation in the negotiations by all social strata and all political forces. In this, the church, which has already proven its readiness for mediation, could be of great help.

Sainz says the FMLN's objective in negotiations is not just the institutionally safeguarded participation by the left in political power, but the efficient change of the social situation for the good of the poor people. One central problem is agricultural reform, which has been repeatedly promised by the rich since the thirties, but which has actually never been tackled. The land must be distributed fairly among the farmers and agricultural cooperatives, which means that the few big landowners, the famous "14 families," would have to cede part of their wealth. The infrastructure in the "freed territories" shows that it is possible to guarantee sufficient food and education, and an efficient health system for everyone if the resources are distributed fairly and the people are permitted to participate in political decisions.

Blandon on Peasant Massacre, Elections
PA1710224788 Panama City ACAN in Spanish
1352 GMT 17 Oct 88

[Report by Andrew Claret]

[Text] San Salvador, 17 Oct (ACAN-EFE)—General Adolfo Blandon, chairman of the Salvadoran Armed Forces' Joint Chiefs of Staff, told ACAN-EFE in an exclusive interview that he will not oppose the enforcement of justice "with full rigor" in the case of the recent killing of 10 peasants in which an Army unit was implicated.

"We have given our word and we will keep it regardless of the consequences," Blandon said, adding that his statement "regardless of the consequences," including the consequences for "my position."

According to many organizations, including the Salvadoran Catholic Church, the 10 peasants who died in San Sebastian on 21 September were killed by troops from the 5th Infantry Brigade's Jiboa Battalion.

In contrast to the latest official version by the Salvadoran military high command—that the peasants died in a guerrilla ambush—Blandon admitted for the first time that "the opinions of the medical examiner and the district attorney have forced us to look more closely at this in order to reach a final conclusion."

Blandon reiterated the official version that there had been an ambush "during which the San Sebastian incident occurred," but he did not establish any connection between the alleged military confrontation between the guerrillas and soldiers and the death of the 10 peasants.

According to Blandon, the high command does not want "the Armed Forces' prestige to deteriorate because of the actions of a single unit" (the one that took part in the events in San Sebastian).

Although he said he had no "final conclusion" about the possible responsibility of the officers who gave the orders, he categorically asserted that "even if in the past a case like this one would have remained a mystery, we do not want this to happen in the case of San Sebastian."

He denied that any officers are now in custody, but disclosed that 30 soldiers who participated in the operation are in the 5th Brigade's headquarters "at the disposal of the investigation commissions."

Blandon, who has been Armed Forces chief for 5 years and who will step down in an upcoming military shuffle, said that the left wing's participation in the presidential elections is "positive." He added: "Maybe the left wing will get a few seats and then we will know what their true potential is."

The Salvadoran left wing will be participating in an election for the first time in 10 years under the Democratic Convergence coalition and will have Guillermo Ungo as its presidential candidate. It will do so without breaking its ties with the FMLN, which has been fighting with the Salvadoran Army since 1980, with a toll of more than 60,000 people dead.

Blandon was critical of Democratic Convergence leaders for running in the elections because "they do not offer a solution to the country's problems" and because they have not denounced the FMLN's "acts of terrorism," especially "its indiscriminate use of mines."

However, he said most categorically that "the dialogue (with the guerrillas) must continue," and stressed that "a political solution must be sought." The Duarte administration and the guerrillas have held peace talks three times without success and have accused each other of using the talks as "propaganda ploys."

Blandon expressed concern over the "division" he says exists within the (ruling) Christian Democratic Party and the conservative, right-wing Nationalist Republican Alliance, the leading opposition group in the country. Blandon thinks "this has had repercussions on the Army, where seeds of divisiveness have also been sown." He noted that the "seeds" were "stopped in time."

He criticized political parties "that approach the garrisons asking for support," and affirmed that "we soldiers are staying out of politics." Asked about rumors that the General Staff was criticized by younger officers with less clear-cut democratic convictions, Blandon did not deny the existence of a "broad gamut of thinking," but flatly rejected any possibility of a coup d'etat.

"A coup is not possible these days" said Blandon, who feels that the "professionalization" of the military is more important than the various tendencies. He flatly denied any links between the Armed Forces and the "death squads," armed extreme right-wing groups whose activities caused 30,000 deaths early in the decade and which, according to reports by the U.S. media, are in the process of reorganizing. "Even if there had been a link between these squads and the military in the past, it no longer exists," he said.

Blandon highly praised Duarte and asserted that "he will go down in history as a symbol of this country's democratic process." Duarte arrived yesterday in El Salvador from the United States, where he received more treatment for his incurable liver cancer, which has shortened his life expectancy to a few months.

Soldiers Accused of Murders; Army Denial

PA1810031688 San Salvador Canal Seis Television in Spanish 0030 GMT 17 Oct 88

[Report by Jilma Lorena Quijano]

[Text] Four peasants, including a man who had been released from a Mariona jail under a general amnesty, were murdered on 14 October in Apopa by individuals in military uniform. Less than a month ago, 10 peasants were murdered in San Sebastian, San Vicente. These new murders have brought grief and sorrow to more Salvadoran families.

Gunmen murdered four members of a peasant family in Tres Ceibas, Apopa Jurisdicion, on Friday night. According to relatives, the victims—Oscar Saul Gonzalez, 19; Pedro Marroquin, 20; Cornelio Marroquin, 23; and Gertrudis Rivera, 35—were dragged from their homes at about 2200 by five men in military uniform who said they belonged to the 1st Infantry Brigade. The soldiers forced the victims to come with them and killed them just 20 meters from their homes. They were apparently shot at close range.

It was reported that Pedro Marroquin had been imprisoned for political reasons at La Esperanza Prison in Mariona and was released under a general amnesty ordered last November in compliance with the Esquipulas II Agreement. Alfonso Mejia, secretary of the Apopa court, inspected the bodies of the peasants, who had their thumbs tied together.

Colonel Orlando Zepeda, commander of the 1st Infantry Brigade, emphatically denied the reports, saying that this attempt to implicate army personnel in the mass murder is a new FMLN strategy:

[Begin recording] I deny any involvement by the 1st Infantry Brigade in these murders. This is another move by the FMLN terrorists to discredit the Armed Forces. We have no troops in that area on any mission, and the 1st Infantry Brigade commander issues orders for all missions. Our mission is to guarantee safety and security on the highways, and the only troops we have in that area are doing just that. We have received a report from the Apopa court secretary saying that the men were shot with .38-caliber revolvers. None of our troops uses .38-caliber revolvers; we use M-16 rifles. That rules out our involvement in the murders. [end recording]

The officer also asked humanitarian organizations and the Catholic Church to investigate this incident, just as they are doing with the San Vicente case.

Honduras

Paper Questions Peace Force Proposal

PA1610020088 San Pedro Sula TIEMPO in Spanish 14 Oct 88 p 6

[Editorial: "More Doubts and Speculation About International Peace Force"]

[Text] In our comments on the peace proposal the Honduran Government submitted to the United Nations we have pointed out, among other things, that the cautious initial support for it will either gain momentum or fade away, depending on the Honduran Government's subsequent actions and other concurrent steps, mainly military, to back it up.

This is not to mention other basic technical and political questions that, once considered by the parties involved in the proposal, would determine if it is sound in content and operationally viable.

We Hondurans, who have a tendency to flatly accept or reject things blindly and even emotionally, must view this important foreign policy step by the Azcona administration objectively and realistically. We must not fall prey to very expedient but extremely damaging flag-waving or create illusions that may promptly burst like bubbles.

The Honduran proposal and Foreign Minister Lopez Contreras' subsequent statements about the establishment of an "international peacekeeping force" with military capabilities are completely different from Honduras' previous proposal at the OAS to appoint an "international security commission" for inspection, verification, and follow-up purposes.

We cannot fully understand at this point why the Honduran Government has so radically changed its initial proposal, which was undoubtedly a success because it received the approval of the five Central American countries that signed the Guatemala agreement and of Canada, Spain, and the FRG, which were to participate in its implementation.

We believe that by calling for a military "force" without saying if UN peacekeeping troops ("blue helmets") would be involved and by telling the UN secretary general what countries are supposed to supply this force—i.e., Spain, Canada, and the FRG—without prior consultation with them, the proposal creates insurmountable obstacles for the UN secretary general and for the countries from which the assistance is being requested.

This is because, in the absence of a concrete plan and detailed explanations to the UN secretary general, he would not be in a position to comply with the request to present the Honduran proposal to the other countries concerned.

In addition, neither the Honduran Government nor its Foreign Ministry can overlook the existence of restraints, such as in the case of the FRG, which is forbidden from sending troops to other countries. Moreover, we believe that in Spain's case, the matter would be subject to a prolonged and involved debate in Parliament, if it indeed reaches that stage.

Likewise, if the proposal involves the so-called "blue helmets," one cannot simply tell the UN secretary general to choose this or that country. In any case, this is an issue that will lead to the UN Security Council, where the United States will use its veto, because it has openly rejected the plan.

We therefore have to ask ourselves what ideas or plans are behind all this, because there are more than enough doubts and speculation about this type of plan. We must bear in mind that the proposal for "an international peace force" eliminates the other proposal, the one about "an international security commission," which had almost become reality. Furthermore, this will make it practically impossible to carry out any international action at the border, and it will create serious problems for the UN secretary general.

In addition, the Honduran Government and Lopez Contreras have referred to Guatemala and Costa Rica as if they were second-level interlocutors and have emphasized the "tripartite" nature of the proposal; not only regarding the relocation of the armed groups but also the refugees' repatriation and relocation. The whole thing seems to be a plan that deliberately seeks to provoke protest and rejection from those two countries, which signed the Guatemala agreement on an equal basis. In fact, the Azcona administration's plan seems to ignore the Guatemala agreement, which the United Nations has fully supported.

Under these circumstances, we do not feel that the presentation of the proposal at the United Nations, the adoption of similar policies, or any subsequent actions will allow the proposal to succeed, regardless of whether there is a willingness to change the policy that has failed in Central America or whether there is a genuine interest in reaching an agreement and achieving peace among the Central American peoples and governments.

Nicaragua

Ortega Proposes Prisoner Release Plan to Reagan

PA1710130688 Panama City ACAN in Spanish 1224 GMT 17 Oct 88

[Excerpt] Managua, 17 Oct (ACAN-EFE)—Nicaraguan President Daniel Ortega has proposed to his U.S. counterpart, Ronald Reagan, a pardon for the "Nandaime prisoners" of the civilian Nicaraguan opposition in exchange for the release of all Puerto Rican separatists detained in the United States.

"I now propose to President Reagan, who talks so much about the 'Nandaime prisoners' and calls them heroes, that they be pardoned in exchange for the release of imprisoned Puerto Ricans who are struggling for their independence," Ortega exclaimed.

The 38 "Nandaime prisoners" have been imprisoned since 10 July, when they participated in an antigovernment demonstration that degenerated into an all-out battle between opposition leaders and police.

President Ortega made his proposal last night during the closing session of the first Latin American Congress on Women and the Law, which is being attended by 307 delegates from 22 countries in Latin America, the United States, Canada, and Europe.

The Nicaraguan president challenged Reagan to make this exchange after one of the Puerto Rican representatives read a letter from his daughter, who is in jail in the United States. [passage omitted]

Ortega Urges Cardinal To Reject U.S. Policies

PA1710145288 Managua Radio Sandino in Spanish 1200 GMT 17 Oct 88

[Speech by President Daniel Ortega at the closing ceremonies of the "first" Latin American congress on women and legislation on 16 October; place not given—recorded]

[Text] I spoke with Cardinal Obando about (?Nicaragua's rights) and urged him to clearly state his opposition to the Yankee government's criminal policy, which has been condemned by the International Court of Justice [ICJ] and even by the U.S. Catholic Episcopal Conference. AFP in Managua carried a report on the ICJ's and Catholic Church's positions. Cardinal Obando, replying today to the Sandinist request that he condemn the criminal U.S. policy, said the clergy has always favored Nicaragua's building its own future without interference from the Soviet Union or anyone else.

The cardinal dared to mention the Soviets but did not dare mention the Yankees. He dared to mention the Soviets, forgetting that the Soviets have not brought death to Nicaragua. When the Yankees blew up the oil deposits, the Soviets brought us oil. When the Yankees cut off our wheat supplies, the Soviets brought us wheat. The cooking oil the cardinal uses to cook his beans comes from the Soviets. [applause].

We are not self-sufficient in rice production, so the Soviets also give us rice. The cardinal, therefore, has also eaten Soviet rice. [applause] The cardinal's answer is totally unacceptable and un-Christian. He is behaving like a pharisee. Had Christ been in the temple, he would have whipped the cardinal for behaving that way. [applause]

Today, once again, I say to the cardinal that if he wants to behave like a Christian, he must support peace and must condemn the Yankees—not the Soviets, who have helped the Nicaraguan people so much. The Soviets have not implemented war policies nor have they established military bases in Nicaragua. The Yankees have established military bases in Honduras and have had them in the Philippines and Korea for many years. The Soviets, it is true, have given us weapons, the way a constitutional, legal government is given weapons to establish a defense system against illegal aggressions by governments such as the Yankee government, which is also violating international law, because the United States maintains relations with Nicaragua—there is a Yankee embassy here—yet the Yankee government is waging war against us. The Soviets have given the Nicaraguan Government weapons to defend itself from the aggression. The Soviets have given us petroleum, cooking oil, and food.

A few days ago at a debate, someone asked the planning minister how much we owe the USSR. We do not, in fact, have any figures nor do we care about such figures, because we have no financial debt with the USSR. The Soviets do not deal with us on financial terms; they treat us like brothers; they are not charging us. They have donated cooking oil, rice, and many other food products. The Soviets have given the Nicaraguans millions without establishing any conditions whatsoever. The debt with the USSR, therefore, is not written. In any case, ours is a debt of gratitude with the Soviet people. The Soviets have acted against harshness, insensibility, and injustice. When I asked the cardinal to reject the Yankees' actions, he condemned the USSR; he even tried to undermine the Nicaraguan Government's legitimacy and its right to establish relations and all types of exchanges with all the governments of the world, and to receive—in the nation's interest—all it may need, from food for the population to equipment so our industries can operate. We have an industry going with steel from the USSR; we have textile factories operating with equipment and raw material from the USSR. It is totally unjust and un-Christian for the cardinal to bite the hands of those who are helping the Nicaraguan people while refusing to condemn those who are attacking the Nicaraguans. Today, once again, I ask the cardinal to clearly state his condemnation of the Yankee position and to stop accepting blood-stained money. That money is stained with the blood of the children murdered in Nicaragua; it is stained with the blood of peasants murdered in Nicaragua. If the cardinal wants peace, he must return that money, condemn U.S. policy, and act like a true Christian. [applause]

RN Reports EPS Cease-Fire Violations

PA1510145888 Panama City ACAN in Spanish 1905 GMT 14 Oct 88

[Text] Tegucigalpa, 14 October (ACAN-EFE)—The Nicaraguan Resistance [RN] reported today in Tegucigalpa that in September the EPS violated the cease-fire 32 times.

The "contras'" report is included in a letter sent to OAS Secretary General Joao Clemente Baena Soares and Nicaraguan Cardinal Miguel Obando y Bravo.

The rebels noted that several of their units operating in the Nicaraguan departments of Matagalpa, Zelaya, Jinotega, Chontales, Nueva Segovia, Madriz, Boaco, and Rio San Juan were attacked and forced to defend themselves.

The RN did not report how many casualties they suffered during the battles that, according to them, "were always sparked by the Sandinists."

The letter stated that the "Jeane Kirkpatrick" rebel task force was attacked by the "Juan Gregorio Colindres" Battalion for unconventional warfare in (Comarca de Yoasca) in northern Zelaya on 24 September. It has been reported that Cuban military personnel participated in this battle.

The letter added that the "Tiburcio Garcia" rebel task force was attacked by the "Juan Pablo Umanzor" Battalion for unconventional warfare in (Comarca de Puertas), Jinotega on 29 September. The document stated that the rebels have proof that Cuban military personnel were also present during this attack.

The rebels asked Obando y Bravo and Baena Soares to order that their report be verified, and said they would supply any required additional information.

Defense Ministry Reports Two Honduran Attacks

PA1710202788 Managua Radio Sandino in Spanish 1958 GMT 17 Oct 88

[Bulletin issued by Defense Ministry Directorate of Public and Foreign Relations in Managua on 17 October]

[Text] On 15 October, Honduran Army troops using rifles and .50-caliber machineguns harassed Nicaraguan troops in Cosa Redonda, 13 km northeast of Jalapa, Nueva Segovia Department, for 15 minutes. On the same day, Honduran troops using rifles attacked Nicaraguan territory in Vado Ancho, 2 km south of Santo Tomas del Norte, Chinandega Department.

Issued in Managua on 17 October 1988

Directorate of Public and Foreign Relations of the Defense Ministry.

Army Inflicts 3 Casualties on Contras

PA1710235288 Managua Domestic Service in Spanish 1810 GMT 17 Oct 88

[Report by Francisco Flores Lopez]

[Excerpt] [Passage omitted] The local Defense Ministry office in Matagalpa, located 150 km north of Managua, reported this morning that on 16 October, a group of Somozist mercenaries attacked an outpost of the Sandinist People's Militias in El Ocote, 15 km north of Waslala. Three mercenaries were killed in the attack and an indeterminate number were wounded. The Army also seized 3 rifles, 10 knapsacks, and a U.S.- manufactured radio. [passage omitted]

Mercenaries Reportedly Kill Peasants, Policeman

PA1810022288 Managua Radio Sandino in Spanish 1930 GMT 17 Oct 88

[Excerpt] Four peasants, including a labor leader and a volunteer policeman, were savagely murdered by a group of mercenaries, who took the peasants out of their houses near Juigalpa at midnight last night.

Labor Leader Samuel Flores and his two sons, Martin and Juan, who had recently returned from their Patriotic Military Service, were taken out of their houses in Santa Rita by a group of mercenaries, who cut their throats and riddled them with bullets. Volunteer policeman Gustavo Duarte was also murdered. [passage omitted]

USSR Delivers 10,000 Ton Rice Donation

PA1810040188 Managua BARRICADA in Spanish 15 Oct 88 p 2

[Summary] Aleksandr Chugrov, Soviet trade representative in Nicaragua, yesterday delivered a donation of 10,000 tons of rice for the Nicaraguan people to Vice Foreign Cooperation Minister Javier Bone Pantoja. The rice donation represents 31 percent [as published] of a pledge made by the Soviet Union to Nicaragua for the delivery of 35,000 tons of rice.

Panama

U.S. 'Aggression,' Tactics Analyzed

PA1510014388 Panama City CRITICA in Spanish 14 Oct 88 pp 16, 19

[Article by Luis Manuel Martinez: "THE TROPIC TIMES—Libel Promoted by the Federal Government"]

[Text] U.S. aggression against Panama has two scandalous objectives: to destroy the banking center and have deposits tranferred to Miami, and to annul the 1977 canal treaties and reinstate the 1903 perpetuity clause. This aggression will go down in history to be studied by academics and intellectuals.

With this aggression, the United States has proven its new expertise in intervention, carried out not by U.S. Marines landing on our shores or by gunboat diplomacy, but by resorting to cruel and sophisticated disinformation techniques, psychological warfare, and strangling the economy—all these techniques combined in a unified front.

All scruples, ethical considerations, and international legal limitations have been ignored by the United States.

Following the failed [DCM John] Maisto plan—disturbances, agitation through the mass media, and the reiteration of the lies told by [former Lieutenant Colonel

Roberto] Melanio Diaz, the renegade and old agent infiltrated into Panama by the United States—came the agreements between Republicans and Democrats in the U.S. Congress.

In a shattering fiasco, between February and March 1988, the Miami and Tampa grand jury trials took place, ending with measures specially reserved for countries considered at war with the empire.

Neither Maisto, nor the miserable puppet Tuturo [nickname for deposed President Arturo Delvalle], nor the public relations agencies chosen to support them, nor the outpouring of testimony by [former Democratic Revolutionary Party leader Jose Isabel] Blandon were successful.

During a memorable weekend in July, Reagan himself called his team (the National Security Council, the State Department, the Pentagon, the CIA, and other agencies) together and ordered a third offensive against Panama.

Maisto was relegated with the chore of contacting Arnulfo Arias' widow to duplicate the Corazon Aquino episode in the Philippines, with the Southern Command in charge of handling this new phase. Maisto's boss, General Frederick Woerner, has traveled several times to Washington to ask for calm, moderation, and deliberation to ensure that certain incidents would not be repeated, such as the incident in which a Puerto Rican soldier was killed, and Pentagon spokesmen in Washington fabricated an imaginary attack by a Cuban commando assault team. The truth was very different: The soldier was gunned down by his fellow comrades on patrol in the dark of night.

Common sense and the effort to correct that heap of mistakes failed again. The gifted minds that advise President Reagan prevailed with their stubbornness. Gen Woerner had no other recourse than to obey the politicians and to assume responsibility for implementing the psychological war and for carrying out the provocations that would lead nowhere but would satisfy the fixation of the old man who is bent on demonstrating that despite the disaster in Nicaragua and El Salvador, he is now in control of the Panamanian situation, protecting himself from the accusations that Democratic candidate Michael Dukakis is making against George Bush, Reagan's chosen one.

Panama became a pawn in the electoral campaign game, and Woerner stumbled into a game that was rigged from the very beginning.

Psychological operations are an open violation of the treaties and turn a strategic center into an aggressive instrument against the country where this center is located.

However, that is not the end of the situation.

The newspaper THE TROPIC TIMES, which is financed with Pentagon funds and which is the official mouthpiece of a powerful military installation abroad, has wound up becoming a libelous publication, completely detaching itself from its original purpose. It publishes editorials from U.S. newspapers such as THE WICHITA EAGLE-BEACON.

This newspaper from the state of Kansas never sent a correspondent to Panama nor has it ever been known for its expertise in Latin American affairs. However, the exchange of favors and remunerations led it to state that the testimony by [Authentic Panamenist Party member] Jose del Carmen Serracin is false, rejecting the evidence of a macabre plan of terrorist and subversive activities discovered by Panamanian intelligence organizations.

The Wichita newspaper also predicts that Ricardo Arias Calderon will soon be the president of a democratic Panama aligned with Washington. Another editorial, this time from the Voice of America, attacks President Manuel Solis Palma, and, in its insolent and slanderous style, assails my accusations regarding operations organized by Major Leocadio Matias Jr. and Sargeant Lima to encourage the exile of all those Panamanians who have reason to worry about the necessary risks they run in their persistent conspiratorial activities against state security.

While I stand up for myself and sign all my articles rather than use pseudonyms, THE TROPIC TIMES is printing my political biography but forgets to mention my struggle in Guatemala (under a constitutional government) as the director of the weekly FRENTE and my long years working for BLOQUE DE ARMAS of Caracas as a foreign correpondent as well as my work as an analyst for the magazine ZETA.

The twisting of information is a tactic used in disinformation.

In its zeal to supply convincing arguments to support its completely useless effort to portray a climate of repression in which U.S. citizens residing in this country are attacked, THE TROPIC TIMES has become the spokesman for the opposition and its most treacherous individuals and sepoys.

The use of federal funds to publish this newspaper, which has lost all dignity and respect for the truth, is another demonstration of the extent to which diplomacy, decorum, and other formalities are ruled out because Reagan is running out of options as he quickly approaches 20 January.

THE WALL STREET JOURNAL, various important U.S. magazines, and well-informed circles in Washington agree that the United States is merely stoking the fire in Panama. The United States does not want the crisis instigated by John Poindexter in 1986 to die down.

All these dirty tricks are needed to remove the banking center from Panama and to keep the canal, abolishing the treaties.

However, certain groups give maximum credibility to an alleged promise that Reagan made to Tuturo Delvalle: to eliminate General Manuel Antonio Noriega, to dismantle the Panama Defense Forces, and then to leave office with the satisfaction of having established a provisional government in Panama that responds to the interests of the U.S. Administration.

He promised something similar to the Nicaraguan rebels. However, he is runing out of time, and, after the elections, we will have to take the opinion of the new president into account, just as what happened when Eisenhower transferred his plan for an invasion of Cuba to John Kennedy in 1961.

Paper Criticizes Noncompensation for U.S. Bases

PA1710181788 Panama City LA ESTRELLA DE PANAMA in Spanish 17 Oct 88 pp A-1, B-2

[Text] The United States will sign an agreement today with the Philippine Government headed by Corazon Aquino, in which the United States will pay more than $962 million in the first 2 years [for its bases]. In Panama, however, the United States does not pay for its permanence or the use of four military bases and nine installations.

The agreement to have Subic Bay Naval Base, Clark Air Force Base, and various "minor" installations remain in the Philippines includes compensation that will help pay the Philippines' debt.

U.S. officials have told various international news agencies Secretary of State George Shultz and Philippine Foreign Minister Raul Manglapus will sign the agreement today in which the United States pledges to rescue that Asian country from its debt, which stands at $28.95 billion.

Nevertheless, the agreement described as an "absence" of U.S. diplomacy contrasts with the Reagan administration's policy of imposing an unjust economic blockade on Panama and its refusal to make its monthly payments for the use of the canal, income taxes, and the taxes of transnational companies operating in the country.

The United States operates military bases at Clayton, Howard, Rodman, and Sherman, and installations at Cocoli, Quarry Heights, Galeta, and various other military testing and training centers, presumably for the canal's defense, while our country receives no direct benefit at all for the use of its territory.

On various occasions, the Panamanian Foreign Ministry, President Manuel Solis Palma, and Panama Defense Forces chief General Manuel Antonio Noriega have accused the United States of unleashing a campaign against the country because it does not want to leave Panama in the year 2000, as stipulated in the Torrijos-Carter treaties.

Quarry Heights is a complex installation located in the heart of Ancon Hill, where the U.S. Southern Command (which is not authorized by the treaties) operates as the U.S. Army command from the Rio Grande to Patagonia.

Galeta, or Antenna Island, is the leading U.S. communications base in Latin America. From here, the United States spies, picks up radio signals, and maintains continent-wide control of communications, even in allied countries.

Despite the advantages this complex military system offers the United States, Panama has not received a single centavo—only a campaign of falsehoods and slander to impose a docile "government" that would benefit the current U.S. Administration.

The United States is confronting similar problems with bases in Greece and Spain, where its agreements expire within the next 2 years. These countries, nevertheless, have received offers of more than $480 million for each military base, as in the Philippines case, to maintain the Western defense system in Asia and Europe.

In Panama, the United States has the 193d Brigade with 10,000 elite troops, 50,000 American citizens, the advantages and priviledges of homes, postal services, and tax-free food and military equipment, priviledges that, judging from the campaigns unleashed over the past 16 months, they do not seem to want to lose on 31 December 1999, when they must leave the country.

Employees May Sue U.S. Over Unpaid Taxes

PA1810002788 Panama City Circuito RPC Television in Spanish 2326 GMT 17 Oct 88

[Text] General Director of Revenue Ricardo Levy said that employees of businesses that are not sending tax payments to the Panamanian National Treasury can sue these businesses in Panamanian courts.

[Begin recording] [Levy] The measures that will be adopted regarding taxpayers who are not making their tax payments are those that have always been adopted: the beginning of legal proceedings. It is a general plan aimed at recovering the tax payments that are due. We are already drafting lists of businesses and persons who will have to face trial.

[Reporter] Does this measure not place U.S. businesses that have been banned from paying these taxes between a rock and a hard place?

[Levy] Regrettably, I would say no, because those who are delinquent in income tax payments, according to our registry and our computer, are the people, the employees

of these businesses. Unfortunately, they will be affected by these measures because the income taxes that have been withheld from their salaries have not been received by the National Treasury. An illegal withholding of these funds has taken place; these funds belong to the employees. They are withheld and must be sent to the General Directorate of Revenue; yet they have not been delivered. Therefore, the employees are delinquent and will be subject to legal proceedings with everything that that entails.

Private enterprise employees can resort to Panamanian courts, claim restitution from their employers, and demand indemnity for the losses they suffer. Employees of the Panama Canal Commission and the U.S. Armed Forces, since these are entities that are not within Panamanian legal jurisdiction, will have to claim restitution from and sue their employers in U.S. courts. [end recording]

Alleged Discontent in Canal Commission Reported
PA1610171088 Panama City THE SUNDAY REPUBLIC in English 16 Oct 88 p 6-b

[Article by J.J. Harrison]

[Excerpts] Panama Canal Commission Administrator D. P. McAuliffe, reportedly seething over his conversion into a "puppet" official by the chairman of the Board of Directors of the Commission, is seriously thinking of resigning, Canal Area sources told THE SUNDAY REPUBLIC.

The chairman is William Gianelli, whose strategy of late, sources said, is to downgrade the administrator position to the point where no self-respecting Panamanian will accept the job when, according to treaty stipulations, it becomes available to a Panamanian in 1990.

The prospect of being a "puppet" for the 14 or so months that remain for McAuliffe's tenure to end, is distressing to the point where the retired lieutenant general's resignation is "imminent," the source said.

Gianelli, as board chairman, is the representative of the U.S. Defense Department.

With the nine-man board of directors completely dominated by the five-man U.S. side, Michael Rhode, an Army colonel who serves as Commission secretary and who lends support to the board during its sessions, has been delegated to act as the Defense Dept.'s representative on the board.

This in effect, makes the colonel the superior of the general whose last military assignment was that of Commander, U.S. Southern Command. [passage omitted]

Deputy Commission Administrator Fernando Manfredo Jr., an erstwhile logical choice to take over as administrator in 1990, is fully aware of and hurting over the undignified manner in which his boss McAuliffe has been treated.

Speculation over McAuliffe's imminent resignation came at the close of the latest Board of Directors meeting held October 12-13 in New Orleans, La. [passage omitted]

MATUTINO Decries Canal Board 'Maneuvers'
PA1410234188 Panama City MATUTINO in Spanish 14 Oct 88 p 4-A

[Editorial: "The Canal Board of Directors Takes its Mask Off"]

[Text] The maneuvers that the U.S. members of the Panama Canal Board of Directors have been plotting and implementing have achieved their expected goal: the adoption of an attitude of open and outrageous disrespect for what was established in the Torrijos-Carter treaties which, like all documents of a similar nature, have the force of law for the signatories.

However, because the Reagan administration does not care at all about fulfilling its verbal, written, signed, and ratified commitments, which have been endorsed by many other nations, Mr William Gianelli, one of the members of that board of directors, has become the instigator of an act which is currently the latest in the tragic masquerade that he and his fellow countrymen are carrying out to destroy, in the clumsiest way, any possibility that Panama, through its representatives in the canal administration, will have the decisionmaking powers that the board now holds when the appointed administrator will be a Panamanian in 1990.

The power that the group meeting today in New Orleans will curtail is the administrator's power to make appointments of key officials in the canal's facilities. Without this power, the new administrator will not have a trusted working team to enable his administration to carry out the necessary measures to maintain and repair the canal so that it can provide the best service to users. The objective behind this measure is to have the service appear quite inferior to the one that is now provided under the U.S. Administration.

The obvious malice behind this action has already been demonstrated. When the Panama - Colon railroad was given to Panama, the terrible condition in which the previous administrators had left it was obvious. The country saw the consequences.

In the face of such an outrageous attitude, it has been completely confirmed that all of the current U.S. Administration's actions make obvious the [U.S. Administration's] objective to show by any means possible that the canal should continue to be under its control, and, if not

this, that the presence of its civilian and military personnel is essential; the former for the administration and handling of the canal, and the latter for its defense and to continue using our territory as a secure and convenient stronghold from which to guard its economic and strategic interests throughout the American continent.

Duque Discusses Elections, U.S. Actions

PA1510144188 Panama City MEDIODIA in Spanish 14 Oct 88 p 10

[Text] The Legislative Assembly was unable to approve last night, because of a lack of quorum, a resolution condemning the Reagan administration for its decision to suspend Legislator Tomas Gabriel Altamirano Duque's diplomatic visa.

During the discussions, legislators from the ruling UNADE [National Democratic Union] alliance strongly criticized the U.S. Government's decision. Their colleagues from the opposition were "supportive" of Duque, but they also took advantage of the discussion to attack current Panamanian Government policy.

Moreover, Tomas Gabriel Altamirano Duque [publisher of LA ESTRELLA DE PANAMA] said that despite the incident he "has always, and will continue to be, progringo."

Duque also charged that the United States does not allow Panama to have diplomatic relations with the USSR because of the interoceanic canal, and because the United States "also disapproves of a newspaper like LA ESTRELLA DE PANAMA that criticizes them."

In his statements, the legislator said DCM John Maisto gave orders to the chief of the U.S. diplomatic mission refused to comment on Legislator Duque's comments. [sentence as published]

Moroever, businessman and legislator Tomas Gabriel Altamirano Duque rejected any possibility of running in the 1989 presidential elections for the UNADE alliance, saying "there are more important figures than me" in Panama who deserve that position.

Duque also said that other members of the PRD [Democratic Revolutionary Party] mentioned as possible candidates, such as Carlos Duque, Demetrio Lakas, and Ernesto Perez Balladares, "would not be nominated as presidential candidates."

"I believe none of them are in the mood to run for president because I think there are more important figures," Tomas Gabriel Altamirano Duque added.

Editorial Calls for End to Torrijist 'Nostalgia'

PA1610141388 Panama City CRITICA in Spanish 15 Oct 88 p 4

[Editorial: "Facing the Future"]

[Text] One of the features of every revolution is to change the speed of the march forward. This is not an arbitrary or unexpected change. Like the rivers, revolutions head for the sea of better life for the people. But a false, neocolonialist, and exploitative empire can build economic, political, and military dams on the free and fast flow of the revolutionary river. Those clear acts of sabotage and counterrevolution must be strongly dealt with through militant mobilization, uprightness, and patriotism, which the current revolutionary process, its Panama Defense Forces, and its interesting [as published] constitutional government have. What is negative, however, is to simply be content with or nostalgic about past achievements.

Torrijism mus' not be a feeling of nostalgia but a guide for the Panamanian revolution. Torrijos was an extraordinary figure. His thoughts and examples are comforting and worthy of respect. However, we now have to go from the past into the future based on the country's current situation. A mere return to a people's government, as some are suggesting as a magic formula, should not divert us from our current efforts to take radical action to counter the aggression and to be flexible in discussing tactics and ploys. The future demands an assessment of our forces in order to measure their scope and to be ready to take 100 steps forward and not one step backward. Otherwise, we would pine away. Nostalgia is useful, but reality demands a greater ability to combine tactics for an anti-oligarchic and anticolonialist strategy.

Minister on 'Serious Economic Difficulties'

PA1710150288 Panama City MATUTINO in Spanish 17 Oct 88 pp 1, 8

[Text] Guatemala City, 16 Oct (ACAN-EFE)—Panamanian Minister of Agricultural Development Darinel Espino has told ACAN-EFE in Guatemala that Panama is facing serious economic difficulties because of the U.S. aggression, but there is no easy short-term solution, because what Washington wants is not negotiable.

The minister, who attended the 15th conference of the Union of Banana Exporting Countries this weekend, is pessimistic about a short-term political solution to the conflict with the United States, because, he said, the objective of the economic sanctions is renegotiation of the 1977 Torrijos - Carter Panama Canal Treaties, and Panamanians are not willing to accept that.

Espino said General Manuel Antonio Noriega, chief of the Panama Defense Forces, is not an obstacle to his country's economic, political, and social development, as opposition leaders maintain.

"Noriega is a leader who believes in nationalism and the dignity of peoples. He is not a problem in any way, because he is receptive to dialogue," the Panamanian minister said.

Espino, who is also secretary general of the ruling Democratic Revolutionary Party, emphasized that Panama's real and basic problem is the U.S. interest in keeping its military bases on the banks of the canal beyond the year 2000 (the 1977 treaties provide for the withdrawal of the U.S. troops by the last day of 1999).

As part of the U.S. aggression, the minister mentioned the "arbitrary" retention by the United States of over $300 million in Panamanian income.

Without those funds, "it is difficult for us to purchase agricultural raw material," Espino said. He added that "the Panamanian people have responded with bravery and determination to this aggression, with the only forumula available to us: the struggle to produce."

He added: "We have improved our productivity levels and are making a major effort in the agricultural sector by means of a contingency plan."

The minister said the Panamanian economy has seriously declined "by an estimated 20 or 25 percent of the GNP." He added: "This also affects the private sector."

"It is definitely untrue," Espino said, "that 60 percent of companies have gone bankrupt," as has been reported. He did admit, however, that there has been a decline in the real income of commerce and industry.

Planning Minister Says Economy Improving

PA1810044388 Panama City Circuito RPC Television in Spanish 2300 GMT 17 Oct 88

[Interview with Planning Minister Gustavo Gonzalez by unidentified reporter in Panama City; date not given—recorded]

[Excerpts] [Gonzalez] [Passage omitted] The import and export sectors have remained active despite the circumstances. Of course, these sectors are fueled by foreign demand. The domestic sectors, especially those that quickly respond to government incentives, such as the construction sector and related industries, are getting ready to again play a leading role in our economy.

We are looking into the possibility of reopening credit lines that were available to the construction sector at local banks. We are also looking into possibilities of implementing other means such as discounts. [passage omitted]

[Reporter] Is the government seeking some form of foreign financing or other measures to try to improve the economy?

[Gonzalez] Yes. The head of the executive branch and I have been looking for ways to obtain new resources from various friendly countries and multilateral organizations—both the traditional organizations and others we have not resorted to before—in an effort to boost our economy.

These projects, which involve many millions of balboas, do not become reality overnight. They require a long period of work and negotiations. They also require a waiting period before they can be started. However, there are some that will materialize in the next 60 days and will coincide with other activities within the economy, including, as I mentioned, the construction and industry sectors, which will join in the reactivation of the economy in the 1st quarter of 1989.

[Reporter] The government has said it will pay the 13th-month bonus gradually, but what will the government do with the portion of this bonus that has to be paid in December? What steps will be taken?

[Gonzalez] Everyone knows the executive branch reached agreements on this. We have to implement these agreements. This means that this month we will program the funds that will finance this payment. Measures will be taken at the end of this quarter to pay them. As has been said, this involves a reorganization of the flow of cash that the state is receiving to meet this payment. This is a solemn commitment made by the government, and we will keep it.

Of course, this reorganization involves some tightening of budgets in other areas of the public sector. We all know that we do not have huge revenues, but we are working conscientiously.

The executive branch is not only reviewing the budgets but also the programs of the various government agencies, sector by sector. This will give us the necessary resources to handle matters that are strict priorities and, at the same time, to keep our promise to pay the 13th-month bonus.

Argentina

Condor Technology Reportedly Transferred to Egypt

PY1410185788 Buenos Aires Domestic Service in Spanish 1600 GMT 14 Oct 88

[Text] Buenos Aires, 15 Oct (DYN)—The morning newspaper EL CRONISTA COMERCIAL today reports that Argentina has transferred the Condor II medium-range missile construction project to Egypt. The project reportedly continues under the name Bader 2000.

Today the newspaper published an interview by its correspondent in Italy with Alan Friedman, who wrote a book entitled "Tutto in Famiglia." In the book Friedman, mentions the Agnelli group and says that this group clandestinely transferred the technology for the contruction of the missile to Argentina in the 1970's or in the early 1980's.

Friedman says that at the beginning the project's objective was to build Condor I, a short-range missile. He claims that it was later modified in order to build a medium-range missile, with a range of more than 800 km. This decision prompted consultations between the United States and the USSR, because the use of this missile in the Middle East might affect the regions' balance of power.

Justicialist on U.S. 'Ultimatum' on Condor

PY1710004988 Buenos Aires TELAM in Spanish 0253 GMT 15 Oct 88

[Text] Buenos Aires, 14 Oct (TELAM)—Hernan Patino Mayer, who is a member of the Justicialist Party's [PJ] Defense Committee, today said that the alleged U.S. "ultimatum" that Argentina give up the Condor II project is presumably an exaggeration. He stressed, however, that if it is, in fact, true, it cannot be accepted because it would constitute an interference in the internal affairs of our country.

In remarks to Radio Mitre, Patino Mayer indicated that he thought this alleged U.S. attitude funny because it comes from a country, he said, that manufactures missiles which place not only world peace in danger, but also the planet's existence.

Patino highlighted the fact that this medium range missile is not usually manufactured in countries such as Argentina, which has achieved a high level of technological development in many areas of defense production. He said that the Condor II is one example of this.

He stressed that the matter must be managed with a policy of political prudence and that this is not a policy of any one political party, or the policy of any one service of the Armed Forces, it must be the overall policy of the nation.

Justicialist Party, Others Form Coalition

PY1610014288 Buenos Aires TELAM in Spanish 0040 GMT 15 Oct 88

[Text] Buenos Aires, 14 Oct (TELAM)—This afternoon the presidents of the Justicialist Party, the Intransigent Party, the Christian Democratic Party, and the Popular Conservative Party signed a letter of intent establishing an electoral alliance, at the national and district levels, to support the Carlos Menem-Eduardo Duhalde ticket in next year's national elections.

The seven-point document was signed by Carlos Menem and Antonio Cafiero of the Justicialist Party, Oscar Allende of the Intransigent Party, Essio Silveira of the Christian Democratic Party, and Julio Amoedo of the Popular Conservative Party. The ceremony was held at the Justicialist National Council headquarters.

Menem, who attended the meeting in his capacity as this party's presidential candidate, said the alliance was not only formed in view of the elections, as some people say, but because all members share a common ideology and program. Menem added that the coalition will be difficult to destroy because it has been built on solid foundations. He urged the alliance leaders not to answer insults from people attempting to divide the newly-formed alliance.

Menem added: A new hope covering the entire country is born in view of the evident failure of the UCR government. This new hope will go beyond our borders to achieve Latin American unity.

Cafiero said Peronism has always sought the reunification with its historic allies, because all the parties are founded on the same grounds. Then he added: The people's cause goes beyond any circumstantial disagreement among our parties. This front basically represents the popular cause.

The signatories stressed the need for joint action to guarantee the democratic order and Constitutional reform.

Regarding this point, the leaders said they support constitutional reform to guarantee the democratization of the political system, a freer relation between the state and society as a whole, and the reorganization of the state branches to achieve further efficiency without destroying their respective responsibilities.

The leaders stressed that a constitutional reform should strengthen federalism, the institutionalization of the regions, the approval of different mechanisms of popular participation, the incorporation of provisions to guarantee full respect for human rights and individual freedoms, and the increase and broadening of social rights.

The leaders agreed that education and culture should be free and public in order to offer the community the benefits of an education oriented to national, social, and human liberation.

The longest of the seven items of the document stresses the need for the state to recover its role in planning, promoting, and orienting national development, especially its sovereignty in directing the economy by rejecting the monitoring by international organizations.

In the item on the federal pact and Latin American unity, the leaders propose a new federal pact leading to an equitable distribution of responsibilities between the federal government and the provinces ensuring a federalism where provincial autonomies are guaranteed.

Frondizi Charges UCR Government 'Bad'

PY1610015688 Buenos Aires DYN in Spanish 1142 GMT 15 Oct 88

[Text] Cordoba, 15 Oct (DYN)—Former President Arturo Frondizi told a group of astonished journalists that the government "had a plan to kill me." Frondizi added that "the government conveyed to me that I was going to be tried and sent to jail." He did not explain the reasons for the threats.

"If we face a situation of chaos and are attacked, we are going to fight," Frondizi warned. He stressed that Argentina "does not live a real democracy" because the UCR government policies are "bad."

Frondizi made these startling statements during a news conference in Cordoba, shortly before a scheduled lecture at "El Ombu," in this capital, to talk about the "National Movement" he heads.

Asked if the military concerns during his administration were in any way similar to the present ones, Frondizi said: "They are totally different, because the military concerns during my administration were promoted by the UCR."

Asked about the origin of the "chaos," Frondizi said: "The aggressors come from the ranks of the UCR."

"They had a plan to kill me. The Information Service chief went to see me at home to warn me and offer me the protection of five armed soldiers. However, when President Kennedy knew they would try to kill him not even the 50,000 people they put around him were able to fence off the killer," Frondizi said.

"When I had to choose between the five soldiers and what I have inscribed on a piece of glass on my desk, I chose the latter. The inscription is from the Bible. It says: Keep trying, do not fear and fulfill your mission, God will protect you wherever you go," Frondizi concluded.

Bolivia

U.S. Adviser's Remarks Prompt Senate Reaction

PY1410130488 La Paz La Red Panamericana in Spanish 1130 GMT 14 Oct 88

[Text] On 13 October the Senate approved an important resolution that will be submitted to the executive branch. The resolution states that foreign advisers should be asked to abstain from making public statements on Bolivia's domestic affairs. The resolution was drafted by MNR Senator Raul Patino after reactions in political and union circles to statements by U.S. economic adviser Jeffrey Sachs on the Bolivian Government's current economic policy.

The U.S. adviser, a graduate of the prestigious U.S. Harvard University, said a few days ago that the Bolivian Government's economic policy is the best among those of Latin American nations and that Bolivia's economic policy should remain unchanged over the next 10 years to guarantee stability and growth for the Bolivian economy.

Opposition politicians and labor leaders immediately reacted to the U.S. adviser's remarks, stressing that despite the fact that they agree on the need to preserve Bolivia's economic stability, they do not agree with the methods used by the MNR administration. The leaders, however, did not propose any other solution.

COB Leader Rejects Remarks

PY1410152488 La Paz La Red Panamericana in Spanish 1130 GMT 14 Oct 88

[Text] Both Jeffrey Sachs and [former planning minister] Sanchez de Lozada agree that over the next 10 years Bolivia's economic policy will continue to enrich privately owned companies and make workers even poorer. This remark was made by COB leader Alfredo Gomez Garcia, who added that Sachs came to Bolivia to evaluate compliance with his recommendations to Bolivia's executive branch.

Garcia said Sachs came to see whether his subordinates on the government's economic team have complied with his instructions.

Gomez Garcia maintains that the COB rejects the new economic recipe for 10 years of stability in Bolivia because it harms Bolivian social sectors which, he said, both Sanchez de Lozada and Sachs consider to be less important than their own interests.

Gomez Garcia said Sanchez de Lozada had promised to propose a national project based on a clever MNR idea for enforcement over a 10-year period.

Sachs and Sanchez de Lozada, Gomez Garcia continued, have agreed on a 10-year plan to loot the country and make Bolivian workers even poorer.

Proposal To Buy Back Debt Rejected

PY1710142588 Buenos Aires DYN in Spanish 0250 GMT 15 Oct 88

[Text] La Paz, 14 Oct (AFP)—It was reported here today that Bolivia's hope to buy back its debt with the international banks at the secondary market value was abruptly rejected by the Interim Creditors Committee.

This conclusion follows declarations today by Minister of Energy Fernando Illanes, who returned from Washington along with Central Bank President Jacques Trigov.

Illanes said the Bolivian delegation was unable to meet with the Interim Committee because the committee arbitrarily objected to participation by Bolivian Government advisers in the meeting.

The government advisers are Jeffrey Sachs, an economist with a Harvard degree who participated in the formulation of the neoliberal economic model that Victor Paz Estenssoro's government has been applying since 1985, and the stock brokerage firm Merrill Lynch.

Illanes considered the objection of the committee unacceptable because it implied dropping principles of national dignity and sovereignty.

Illanes, who used to be Bolivian ambassador to the United States, said he thought the committee's objection was only a pretext to prevent Bolivia from buying back all its debt with the (commercial) banks.

Illanes said the committee wanted to avoid setting a precedent that other countries with larger debts with the banks could follow.

Around July the Bolivian Government bought back debt notes with a face value of $300 million—Bolivia's total debt with commercial banks was then $638 million—at 12 percent of the face value, which is what the Bolivian debt is worth on the secondary market, paying only $36 million for them.

The Bolivian Government had hoped to buy back another $330 million of its debt in the next few months, practically cancelling its debt with commercial banks.

According to Illanes, this week's setback does not mean negotiations are definitively broken. The Bolivian Government will now send a written proposal to the Interim Committee. However, all indications lead to the conclusion that the creditors will only accept a conventional renegotiation.

The total contracted Bolivian debt is $5.8 billion, but the disbursed debt stands at only $3.9 billion. Of this total, not counting the balance with commercial banks, $2.258 billion are owed to foreign governments and $1.274 billion are owed to multilateral financial organizations.

Central Bank Transfers 'Laundered' Drug Money

PY1710003688 Madrid EFE in Spanish 0153 GMT 16 Oct 88

[Text] La Paz, 15 Oct (EFE)—Today Bolivian Central Bank President Jaques Trigo confirmed that $12 million have been withdrawn from funds deposited in an account with the International Credit and Commerce Bank (BCCI). The United States has said that this money is laundered drug trafficking money.

Trigo said that the money has been transferred to a Swiss bank, although he refused to give more details on the matter.

Moreover, the La Paz newspaper HOY has indicated that these funds were transferred to the Swiss Bank Corporation [preceding three words in English], one of the world's 20 largest banks.

The same newspapers, citing "unofficial versions," indicates that the $12 million figure cited by the bank president is inaccurate: The transferred funds amount to some $19 million.

The BCCI, considered one of the seven largest private financial institutions in the world, is headquartered in Luxemburg and has been accused in the U.S. city of Tampa (Florida) of laundering $32 million coming from Colombian drug trafficking.

About 100 people in the United States, Europe, and Latin America have been accused of participating in the largest international money laundering network.

Brazil

Sarney Holds Talks With France's Mitterrand

PY1710135388 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 17 Oct 88

[Text] President Jose Sarney will make an official visit to France during the first half of 1989. This decision was announced yesterday in Paris during the Sarney-Mitterrand meeting.

President Sarney has reported that the main topic discussed with the French president was the foreign debt.

[Begin recording] [Sarney] I believe that the most important topic of my conversation with President Mitterrand was the proposal on the foreign debt that he made in his speech at the United Nations. I had the opportunity to tell him that Brazil supports his proposed solution.

[Reporter] What is the solution he proposed?

[Sarney] Basically, he suggests the same position that we have always defended. His position is that the foreign debt problem cannot be resolved unless the stock of the

debt is reduced. Mitterrand proposed that a Special Drawing Rights fund be created at the IMF to guarantee the purchase of debt notes at discount by the debtor countries.

[Reporter] Do you believe that, in the case of Brazil, the formula is viable?

[Sarney] We believe that we should approve any formula that might help to reduce the stock of the debt. [end recording]

Today President Sarney, upon his arrival in Moscow to begin a 5-day visit to the Soviet Union, will meet with Soviet leader Mikhail Gorbachev. The agreements to be signed this week include one which refers to space activities, aiming at exchanges between the national Space Research Institute and agencies of the Soviet Union.

Overnight Rate Lowered; Stock Exchange Normal

PY1510030388 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 14 Oct 88

[Text] The financial market has returned to normal. The overnight interest rate has been lowered and the new Public Debt Director at the Central Bank has been chosen.

After yesterday's scare, the Central Bank began operations this morning at 42 percent monthly interest rate, 8 percent points below yesterday's rate. This change was sufficient to calm the financial market, according to Central Bank and Finance Ministry experts.

The new public debt director of the Central Bank has been nominated. He is Carlos Tadeu de Freitas, who was once bank area director at the Central Bank and has great experience in financial market operations. However, his appointment now depends on Senate approval. This is a rule of the new Constitution.

Before the new director is approved, the Senate will question him, and if he does well, he will be appointed.

New Air Defense, Traffic Center Inaugurated

PY1510025788 Rio de Janeiro O GLOBO in Portuguese 14 Oct 88 p 8

[Text] Brasilia—Today Aeronautics Minister Octavio Moreira Lima dedicated in Curitiba the second Joint Center for Air Defense and Air Traffic Control (CINDACTA) of the country. The CINDACTA II will increase by approximately 1.1 million square kilometers the land under the Brazilian system of integrated air defense and air traffic control. Its radars will now be able to control the airspace and borders with Argentina, Uruguay, and Paraguay.

The CINDACTA II will track the movement of airplanes in the southern part of the country through tridimensional and bidimensional radars spread out throughout the states of Rio Grande do Sul, Parana, and Santa Catarina. The objective of the integrated system of civilian and military aviation is to facilitate the flow of traffic, saving time and fuel, and providing additional flight security.

The CINDACTA I, headquartered in Brasilia, covers 1.5 million square kilometers, encompassing the states of Rio de Janeiro, Sao Paulo, Minas Gerais, and Brasilia, although its radars also cover the states of Mato Grosso and Bahia. The system will be completed with the dedication of CINDACTA III, which is under construction in Recife. It will cover the Amazon region as well.

Colombia

Justice Minister on 'Subversives,' Drug 'Scourge'

PA1510042088 Bogota EL SIGLO in Spanish 10 Oct 88 p 3-A

[Interview with Justice Minister Guillermo Plazas Alcid by Octavio Quintero, Ricardo Pelaez, and Dario Hoyos Hoyos; date and place not given—reporters not individually identified]

[Excerpts] [Reporter] Do you not believe that the Army is losing the war with the subversives, what with the latest incidents where soldiers have been kidnapped, ambushes have ended in police casualties, and negotiations are under way to achieve the release of detainees?

[Plazas Alcid] Subversion and organized crime are one and the same. The subversives have declared war on society. As subversives, they can use legal or illegal means to commit their crimes. They can do what they please. Meanwhile, the government and its agents must, under all circumstances, adhere to the Constitution and the law. This is precisely what has caused the circumstances you alluded to in your question.

The subversives, in fact, are free to do as they please; they have no reservations whatsoever—no legal, judicial, or ethical limitations—while the nation's forces and authorities are subject to and must always act within the limits set by the Constitution and the law.

[Reporter] But does it not seem serious to you that, for example, when Army troops tried to protect the police, they could not get through because the guerrillas fired at the helicopters from the ground?

[Plazas Alcid] We must be realistic about this. The subversives are economically powerful. In many instances, they are better equipped than the country's regular forces. They have a strong base that is daily enlarged and broadened, and, while the country's soldiers earn meager salaries, the subversives earn a great deal of money.

[Reporter] What is your opinion on [Government Minister] Cesar Gaviria Trujillo's statement to EL SIGLO that some multinational corporations have paid off the guerrillas and that this stance is backfiring on the corporations?

[Plazas Alcid] I know what you know, and perhaps a little less than what the government minister knows. The fact is that it seems as if the oil companies, displaying a lack of legal responsibility and believing that every problem can be solved with money—which is a widely used system among those companies—respond with money, money, and more money to every demand made by certain subversive groups. These sums, or part of them, are invested in sophisticated, ultramodern weapons, which, in most cases, are superior and more efficient than the weapons used by the state.

[Reporter] Are you saying that the guerrillas have inside contacts that bring weapons into the country without the government's knowledge?

[Plazas Alcid] Are you all not aware that our country has an extensive geographical range? It has the Atlantic, the Pacific, and, as if this were not enough, it has the Amazon and the Orinoco? These very extensive borders allow the subversives to bring weapons into the country. This is not a new phenomenon. Remember how it all happened—I was the ambassador to the USSR, processing President Turbay Ayala's visa, when a group of subversives entered through the Choco and through Ecuador. They were armed and, among other things, they prevented the president from making scheduled visits to the USSR and China.

There is another reason we are all aware of. The government does as much as it can. Naturally, however, determination, will, and a desire to establish order are necessary. It would be an unbearable situation to have violence imposed on us while we are all standing by passively.

[Reporter] What did you think, Mr Minister, of the television appearance by [FARC leaders] "Tiro Fijo" [Manuel Marulanda Velez] and Jacobo Arenas, during which they said that they want power? What self-respecting guerrilla group seeks that?

[Plazas Alcid] It seems to me that instead of alarming us, that statement should perhaps please us, because one of the errors the country has been guilty of is the fact that it has made mistakes. [as published] While the government seeks peace, others take advantage of the truces and dialogues to force a confrontation with us. Thus they [the subversives] are speaking openly and clearly. Knowing this, the government should act in accordance with the Constitution and the law.

[Reporter] In light of the subversives' repeated attacks, do you not believe that a new strategy should be sought?

[Plazas Alcid] I believe that we should be realistic and behave accordingly, given the facts that we have at hand and the statements made by the rebel spokesmen.

[Reporter] Moving on to another issue, how do you think the constitutional reforms will affect justice reforms?

[Plazas Alcid] That process is already under way. However, this is not all the country needs. It is useless for laws to be written if there is no national willingness, if there is no willingness, if the citizens have no desire to overcome their problems. Therefore, we will act, and we will enact in Congress the government's decisions by ratifying a group of laws that modernize the country and bring it up to date. That, however, is not enough. These laws, by themselves, have no meaning. The laws are made effective through the people's will; what we need more than laws is ethics. We are lacking in morals, in determination. [passage omitted]

[Reporter] Mr Minister, there is a book by journalist and Antioquia attorney Mario Arango in which he virtually states that anyone who wants to can talk with drug traffickers, party with them, etc. The authorities, however, can never find them. What about this? And what about the extradition treaty?

[Plazas Alcid] I am familiar with Arango's book, and, of course, I have read it, as I read all types of literature pertaining to that activity. In a newspaper, I even saw a synopsis by Hugo Lora Camacho of a study by Fedesarrollo [the Federation for Development] in which he discussed the economic impact of drug trafficking, not only on Antioquia but on the entire country.

Regarding extradition, it is known that by mandate of the Honorable Supreme Court, extradition does not exist. There is talk, however, of a UN-sponsored multinational pact whereby, on a worldwide basis, a series of measures will be adopted to confront the drug trafficking problem internationally. This pact may be adopted in Vienna between November and December.

The drug trafficking problem will exist as long as it is a profitable business. Today some anonymous person or another might disappear because he has died, decided to leave the drug business, become inactive, or retired from the drug business. However, he will be replaced by 20 or 50 others.

The Colombian people live off the yucca and other edible roots, but no one gets killed as a result because it is not as fascinating a business. Americans must start by restraining consumption and by punishing drug traffickers there [in the United States], where there are many drug addicts. We do not produce acetone or other similar chemicals because that is something more industrialized, developed countries do, and besides, they are the ones supplying the planes, the ships, and everything else necessary to make the industry feasible. Therefore, Colombia is not the only one responsible for drug trafficking. Here we are victims of this scourge and of the countries that consume drugs. [passage omitted]